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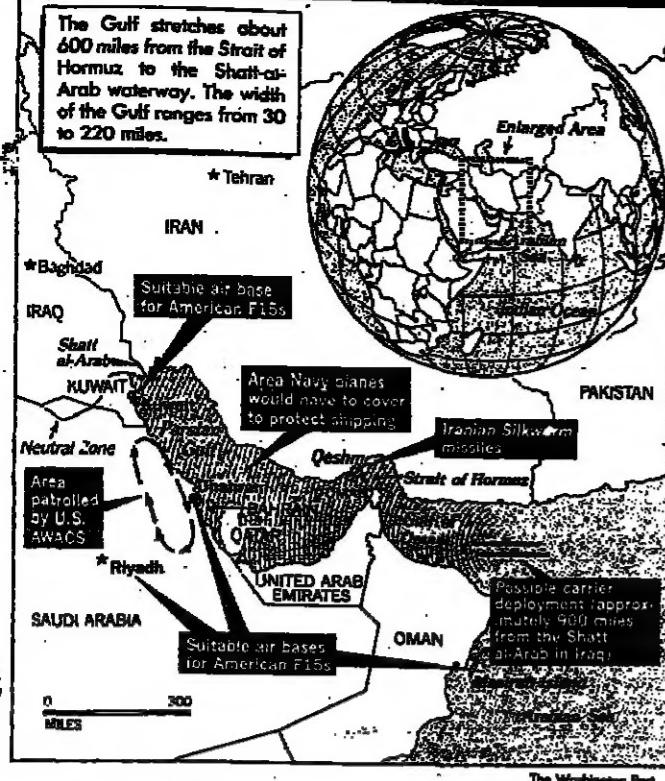
PARIS, MONDAY, JUNE 1, 1987

Algeria	4,000 Km	Iran	115 Km	Qatar	9,900 Km
Austria	225 Km	Israel	220 Km	Portugal	125 Km
Bahrain	1,750 Km	Italy	1,800 Km	Qatar	6,500 Km
Belgium	20 Km	Jordan	450 Km	Rape of Ireland	70 Km
Canada	251 Km	Kenya	50 Km	Saudi Arabia	700 Km
Cyprus	100 Km	Malta	100 Km	Spain	185 Km
Czechoslovakia	1,600 Km	Uganda	1,100 Km	Tunisia	800 Km
Egypt	2,750 Km	Liberia	1,000 Km	Turkey	2,500 Km
Falkland Islands	800 Km	Morocco	125 Km	U.S.A.	2,000 Km
France	2,700 Km	Morocco	800 Km	U.S.S.R.	7,000 Km
Germany	2,700 Km	Netherlands	310 Km	U.K.	1,200 Km
Great Britain	2,600 Km	Norway	800 Km	U.S.S.R.	5,000 Km
Greece	110 Km	Niger	4 Km	Yugoslavia	1,200 Km

ESTABLISHED 1887

Iran Warns U.S., Soviet Union

GUARDING THE GULF



Says Gulf Area
Is 'Not a Toy'

By Jonathan C. Randal

Washington Post Service
NICOSIA — Foreign Minister Ali Akbar Velayati of Iran warned the United States and the Soviet Union on Sunday against intervening in the Gulf War.

The warning came as Tehran announced that seven Kuwaiti high-speed gunboats had been detained while "spying" for Iraq.

Observers suggested that Iran was embarking on a major propaganda exercise to strengthen U.S. congressional criticism of the Reagan administration's plan to provide naval escorts for Kuwaiti tankers.

The Iranian news agency said the Kuwaiti speedboats were detained recently near the Khour Abdullah estuary at the head of the Gulf. It said the gunboats' crews had confessed to spying for Iraq, proving Kuwait's "new treachery."

For months, Tehran has singled out Kuwait, a small, essentially defenseless oil-producing state, attacking its tankers in the Gulf and launching attacks on its territory.

These attacks prompted Kuwait to seek help from both Moscow and Washington. The United States has agreed to protect Kuwaiti shipping after putting it under U.S. stewardship, and the Soviet Union has agreed to transport Kuwaiti petroleum products in its own tankers.

The Iranian foreign minister, in a speech in Abu Dhabi during a visit to Arab Gulf states, reiterated his country's opposition to superpower involvement in the Gulf, which Tehran has denounced as disguised aid to Iraq.

Mr. Velayati said that Iran would "not allow the superpowers or any other force to interfere in the region."

While warning that Iran would not tolerate foreign powers turning the Gulf into a "toy in their hands," he was vague when asked what action Tehran would take if the superpowers increased their fleets in the Gulf.

Iran, he said, would "deal with each incident according to the circumstances."

Strategists have suggested that Iran has little interest in directly challenging the superpowers by attacking warships or commercial shipping flying their flag.

■ Navy Seeks More Ships

George C. Wilson of The Washington Post reported from Washington.

Admiral William J. Crowe Jr., chairman of the Joint Chiefs of Staff, has told President Ronald Reagan that the United States should not start escorting Kuwaiti tankers through the Gulf without an administration commitment to retaliate for any attacks on U.S. ships, according to informed sources.

The admiral also warned the

administration in plans to provide military protection for merchant ships moving through the waterway.

Their unwillingness reflects doubts about Washington's intentions in the Gulf and about the extent to which President Ronald Reagan and his aides have thought out the need for military deployment and its possible consequences, according to European officials and news reports.

In some ways, the hesitation in Western Europe amounts to a discreet foreign version of the noisy doubts raised in Congress over administration plans.

Reports that the U.S. escort operations are now due to begin only after several weeks were portrayed in the French press as a pullback by the Shin Bet security service. The service has been accused of fabricating evidence and torturing prisoners.

State cabinet ministers vowed to start a secret inquiry, which would be subpoenaded subpoena witnesses and documents, Israeli radio reported.

NEWS ANALYSIS

Mr. Reagan, The newspaper Libération and Saturday, "The Reagan administration seems at the last minute to have gotten itself out of one of those messes for which it has become famous."

For the most part, official silence has greeted a call Tuesday by Caspar W. Weinberger, the U.S. secretary of defense, for support from the NATO allies to keep the Gulf open for oil shipping.

Mr. Weinberger, in Brussels for a meeting of defense ministers of the North Atlantic Treaty Organization, expressed hope that collectively or individually, NATO members could provide aid. He suggested that NATO members

See ALLIES, Page 5

See GULF, Page 5

At a French Theme Park, the Magic Is Marred

By Julian Nundy

International Herald Tribune

POITOU, France — Its official name is Mirapolis, Paris' first theme park, a home-grown rival to Disneyland.

One journalist wit has already dubbed it "Mirapolis," after the officers who protect it from commandos made by traditional carnival operators.

Mirapolis, inaugurated May 20 by Prime Minister Jacques Chirac, is one of the first in a generation of French-inspired theme parks.

They were conceived partly in reaction to criticism that plans for a Eurodisneyland east of Paris, scheduled to open in five years, will give French children a surfeit of alien, trans-Atlantic culture.

The centerpiece of Mirapolis is a huge and brightly-colored model of the giant Gargantua,

Chris Evert made the

quarterfinals at the French Open, beating Katerina Makarova. Page 19.

GENERAL NEWS

■ American evangelicals have much at stake as the Reverend Jerry Falwell works to revive the PTL ministry. Page 4.

SPORTS

■ The New York Yankees broke the Oakland Athletics' four-game winning streak Sunday, 5-5. Page 19.

BUSINESS/FINANCE

■ Italy added its voice to calls for West Germany to stimulate its economy. Page 13.

a hero of the 16th-century writer and scientist François Rabelais.

The benevolent-looking 100-foot (31-meter) giant holds a fork supporting an entire cow in one hand and a glass of wine in the other. It dominates the flat countryside around it, breaking the monotony of rows and rows of electricity pylons.

Mirapolis, 22 miles (36 kilometers) northwest of Paris, has attracted a good deal of attention, but mainly because of violent incidents that marred its first days.

Workers from traditional carnivals, protesting tax concessions given to modern theme parks and contesting the need for competition for the old-fashioned fairs that have plied their trade in Europe for centuries, twice attacked the site.

On the first occasion, one day after the park

opened, about 300 of them turned up and walked in peacefully after buying entrance tickets.

Before terrified children and parents, they set about smashing machinery and putting detergent in fountains and sand in pumps and gear-boxes, witnesses said.

"Nothing worked," one Mirapolis employee said. "They cut conveyor belts, electric cables, sprayed water on electrical systems and smashed up most of the kiosks and restrooms."

Two and a half hours after the havoc began, riot police and ambulances arrived. The police officer in charge, Inspector Christian Perret, was hurt by a blow to his face with an iron bar. No one was arrested.

Mirapolis' insurance company gave the park

See PARK, Page 7

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High Toll Is Reported In Sri Lanka Offensive Against Tamil Rebels

By Steven R. Weisman
New York Times Service

COLONBO, Sri Lanka — The Sri Lankan armed forces pressed a major offensive against Tamil insurgent strongholds in the north over the weekend, amid reports that hundreds of people had died in fighting and bombardment during the week.

Military analysts called the fighting the bloodiest and most important in Sri Lanka's four-year ethnic conflict.

The army was said to be trying to wipe out rebel military bases, kill guerrilla leaders and secure perhaps a third of the Jaffna peninsula in the north. The peninsula is dominated by Tamils, who want to set

up an independent nation in the north and east.

The government has said that since the offensive began Tuesday, nearly 200 people have been killed, three-quarters of them Tamil guerrillas. The government announced Sunday that soldiers had found 17 bodies at a Hindu temple, raising the official civilian death toll to 37.

Tamil spokesmen here and in India, where several guerrilla groups have their political bases, said that as many as 1,000 civilians died last week in helicopter and airplane bombardments, especially in and around the city of Jaffna, which has a population of 800,000.

It was difficult to independently verify any of the reports because journalists have largely been barred from the north.

As the fighting continued in the peninsula just west of the town of Point Pedro, Sri Lanka's foreign minister, A.C.S. Hameed, denied a charge by India that the government had killed civilians in what he called "carpet bombing" of Jaffna and the surrounding area.

He said the government had neither the means nor the intention of carrying out such dense bombing.

Earlier, Prime Minister Rajiv Gandhi of India, who has been trying to mediate a political solution to the conflict since 1985, appealed for restraint by Sri Lanka and was reportedly angry that his appeals were being ignored.

Indian officials, who are under some public pressure to intervene, perhaps even militarily, on behalf of the Tamils, warned that the widening war was making the region vulnerable to "external influences."

Responding to the Indian charges, Mr. Hameed said it was Sri Lanka that was trying to eliminate outside influences but was being thwarted by India from taking "legitimate steps" against the Tamil insurgency.

Sri Lanka has repeatedly accused India of providing arms, political support and sanctuary to the guerrillas. The heated exchange appeared to eliminate chances of an early settlement or even of negotiations between the government and the Tamil insurgents.

About 16 million people live in Sri Lanka, off the southern tip of India. Three quarters of them are ethnic Sinhalese, Buddhists who speak the language of Sinhalese.

The Tamils, who make up less than 20 percent of the population on the island, are Hindus. They feel a kinship with the 50 million Tamils in the southern Indian state of Tamil Nadu.

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One of a series of messages from leading companies of the world appearing during the IHT's anniversary year.

THE ROAD TO SUCCESS: HOECHST ENGINEERING FIBRES



The dream highway of the world – the dream of a road straight across the American continent, linking everything along the way – is becoming a reality.

But, in a tropical lowland plain in Colombia, right by the Panamanian border, the dream is turning into a nightmare. Again and again, cloudbursts obstruct the laying of the sub-base and wash away the filling gravel. But the road can be continued – even during heavy rainfall: *Trevira Spunbond, needlepunched

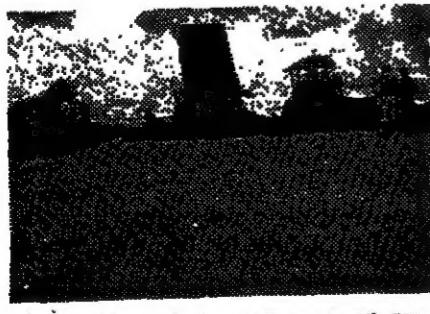
spunbonded fabric made of polyester filaments, forms a separating layer between the soil and the filler and holds both in place, while the water passes through and flows harmlessly away.

Just one example of many. The interdisciplinary cooperation of scientists and engineers is opening up paths never before trodden for industrial textile materials, products and processes. Hoechst High Chem Fibres are today more than ever before tailored to their applications and the properties

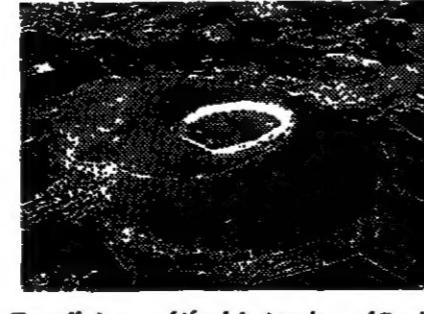
required are specially designed into them.

Time and again, newer and better industrial fibres are capturing more and more areas of use. Today, Hoechst high-performance fibres are already helping to provide economic solutions to enormous problems relating to traffic, nutrition, energy and environmental protection, and to give innovative answers to questions both old and new.

The addition of the Celanese products will result in a further expansion of the selling range.



In the Colombian rain forest the geotextile *Trevira Spunbond ensures the continued progress of building operations. As a separating layer it prevents the loose material from sinking into the soil and as a filter layer it drains the ground to the point of being load-bearing.



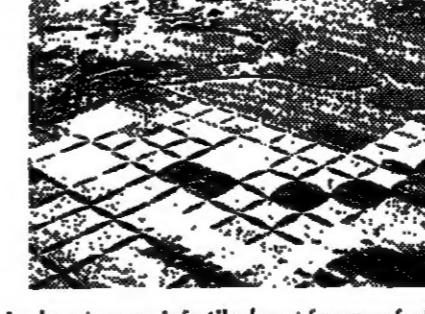
Tenerife is one of the driest regions of Spain. Today the crater of the volcano Montaña de Teno is a water reservoir, lined with coated *Trevira High Tenacity – one of fifty *Trevira lined artificial lakes serving Spanish agriculture.



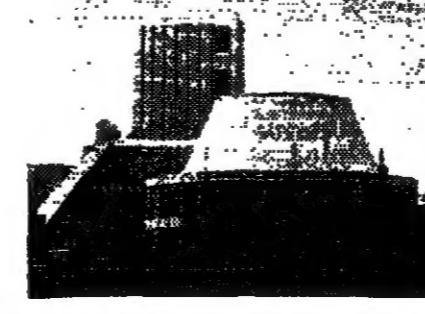
For roadbuilding, the strips of spunbonded fabric are made up into large areas. Because the material is highly tear-resistant and puncture-proof and also has a high elongation, the separating layer can be driven over immediately. The considerable costs of interrupting work have been avoided.



Under the textile roof of the Moby Dick leisure centre in Rüdesheim, FRG, there sits a new energy concept for the future: *Trevira High Tenacity solar absorbers and air cushion collectors together with heat pumps generate more energy than the entire system can itself consume – a powerhouse for itself and for others.



In desert areas, infertile desert becomes fruitful. Shadow nets in *Trevira High Tenacity take the heat out of the sun, encourage fruit and vegetables to thrive and ensure that the valuable water does not evaporate.



Since 1900 asbestos has been used to reinforce cement. *Dolalit has had great success in the desirable substitution of this fortifying agent. An important properties such as strength it is superior to the traditional asbestos reinforcement.



The Zugspitzplatt – Germany's highest skiing area – can now be reached directly via a new rack-railway tunnel. *Trevira High Tenacity and Spunbond in two layers protect the piping system from destructive moisture and other damages.



A continuing reduction of the risk of fire – textiles can play a great part here. Very high flame retardancy has been achieved for flame retarded *Trevira by means of a built-in molecular modification, while maintaining optimum textile hand and optics.

Bakker Hurt Evangelicals' Image, Assets

By Samuel G. Freedman
New York Times Service

FORT MILL, South Carolina — Whether the Reverend Jerry Falwell is trying to steal the PTL ministry, as the Reverend Jim Bakker says, or to save it, there is more at stake here for the American evangelical movement than an air-conditioned doghouse or gold-plated bathroom fixtures.

Leaders and scholars of the movement say that, even as such symbols of the ministry's excesses under Mr. Bakker have been auctioned to raise short-term cash, the fate of the PTL empire has become inexorably bound with the evangelical movement's efforts to enter the political, religious and social mainstream — even to alter the course of that stream. And to shed the very "Elmer Gantry" stereotype that the current scandal has revived.

The immediate prize for rescuing PTL, they say, is control of two of the most valuable properties in American evangelism: the PTL cable television network and Heritage Village USA, the third most popular theme and amusement park in the nation, after only the two Disney parks.

The assessed value of the entire 2,300-acre (931-hectare) Heritage Village USA complex is \$178 million, and the cable service is thought to be worth from \$20 million to \$50 million.

Both the image and the assets of PTL — for Praise The Lord or People That Love — are particularly important when the evangelical marketplace has grown more crowded than ever, heightening the competition for adherents and their dollars.

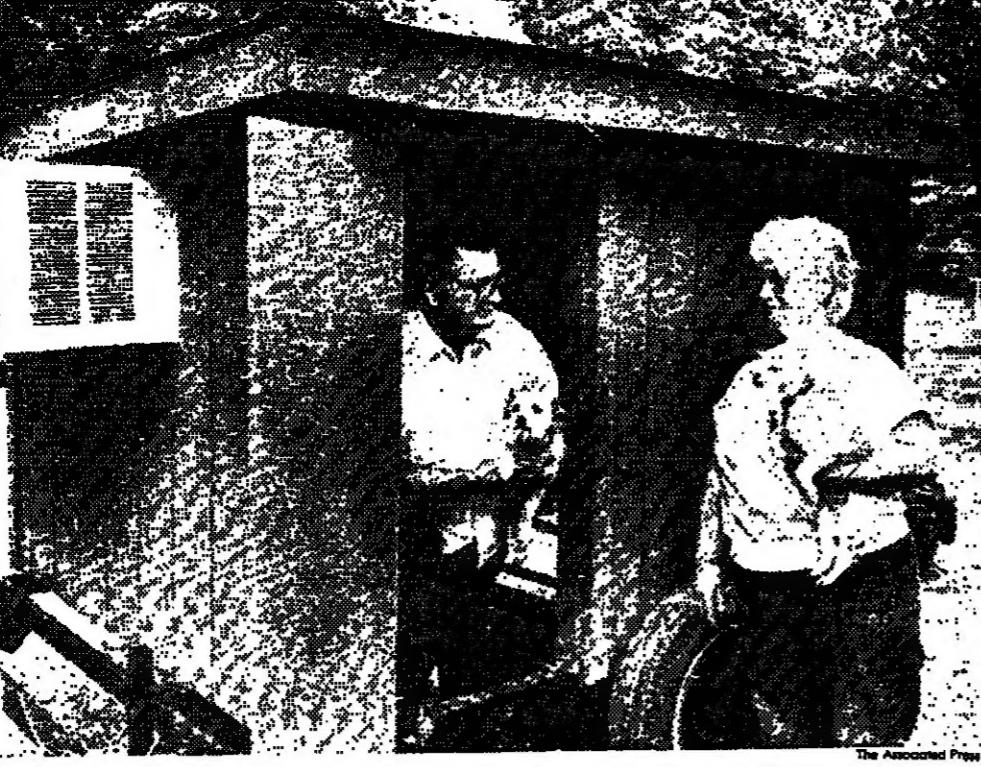
In a larger sense, leaders in the movement fear that the scandal will set back sophisticated efforts, including the Reverend Pat Robertson's presidential candidacy, to stamp evangelical influences on the national life.

The common denominator for all evangelical denominations is a belief in direct spiritual experience, often colloquially known as being "born again."

Many of the major evangelical ministries had seen their donations and television ratings declining before the PTL scandal broke in March. Since then, with the revelation of a \$70 million debt and allegations of avarice and sexual adventurism against Mr. Bakker and his ministry, the drop-off in giving to many television ministries has gained momentum.

"The credibility of the televised evangelists is probably at the lowest I can ever remember," said Rex Hubbard Jr., the chief executive officer of the Ohio-based ministry led by his father.

Martin E. Marty, a professor of modern Christianity at the University



George and Helen Campbell of Hollidaysburg, Pennsylvania, with the air-conditioned doghouse that belonged to the Reverend Jim Bakker, the former head of the PTL ministry. Mr. Campbell bought it for \$630, but he said the couple's two terriers will not be using it.

of Chicago, said, "It's like the cocaine issue in professional sports. Every league, every franchise is affected by the image of a problem."

The immediate effect of the PTL scandal has been pronounced. A variety of polls found that public distrust of television evangelists has grown following the disclosures about Mr. Bakker's ministry.

Mr. Hubbard said that donations to his father's ministry in April and May were 25 percent lower than for the same period last year. He did not provide the dollar figures. Benton Miller, the manager of media relations for the Christian Broadcasting Network, a cable service, reported an unspecified "drop-off in revenue" in the past two months.

The new management of the PTL ministry has been trying to raise \$10 million in an "emergency" drive, and officials said about \$5.2 million had been received as of late Friday. But 18 television stations have dropped the "PTL Club" television show because of overdue bills, and 40 more are reported to be considering it.

The show appears daily on 160 stations. The PTL ministry buys time and transmits the show, along with other programs, via the PTL Cable Network to cable television subscribers nationwide.

"They've all had to fight that image," Mr. Hadden said. "And

that's the key. I think, why Jerry Falwell jumped into PTL in the first place. He knew that if it got out of control, there was a lot for everyone to lose."

The common agenda of the evangelical movement goes only so far, and in the marketplace of souls, the PTL ministry is an exceedingly valuable resource.

Never before has the movement been so packed. The \$2-billion-a-year television evangelism field is split among 221 Christian stations and 60 syndicated programs. A New York Times-CBS News poll earlier this year suggests that the audience has been almost exhausted, since only a fraction of the respondents who do not already donate money to television evangelists say they have a favorable opinion of them.

"The movement had peaked by late 1979 or 1980," said Razzle Franki, the author of "Televangelism: The Marketing of Popular Religion."

"It had become more concentrated, more competitive," he said. "Every ministry was struggling to find its own niche in the market."

The shortfall is declining revenues and ratings for many evangelists, Mr. Falwell included. His major program, "The Old Time Gospel Hour," brought in \$44.3 million in 1986 — the lowest figure since 1981 and a drop of \$8.2 million from the 1985 level.

The concern beyond the current unrest, evangelists and academics

have is whether PTL's well-documented woes will damage the movement's push toward the American mainstream, as exemplified by Mr. Robertson's Republican candidacy and Mr. Falwell's attempts to build intellectual and political bases through a college in Virginia and the Liberty Federation, formerly known as the Moral Majority.

From Jim and Tammy Bakker's lavish homes and wardrobes to the allegations of secret slush funds and homosexual trysts, the PTL scandal has summed up the specter of the evangelist as blasphemous, cheat and hypocrite.

It is precisely the sort of popular portrait that the sophisticated modern-day evangelist fear most.

"With the advent of those unfortunate shenanigans," said Mr. Miller of the Christian Broadcasting Network, "all of us have been wounded."

He noted that officials of the cable network went so far as to open their own financial records on the air earlier this month.

"I don't think one can stress too strongly the presence of the 'Elmer Gantry' image, the image of all the television evangelists as a bunch of no-good sinners," said Professor Jeffrey K. Hadden of the University of Virginia, the author of the forthcoming book "Televangelism, Power and Politics."

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The parties involved, particularly management, he said, "are too confrontational" and "would rather litigate than negotiate."

In this environment, not surprisingly, many federal unions have run into trouble.

The largest of them, the American Federation of Government Employees, has slipped from 300,000 members in 1969 to 180,000 active and 30,000 retired members today, according to the group's president, Kenneth T. Blaylock.

"Late last year we started a strong organizing drive," said Janice LaChance, spokeswoman for the union, "but before then we were losing 400 members a week."

She attributed the drop to attrition, staff reductions and outside contracting by federal agencies.

Across the nation, many unions are in trouble. Organized labor lost 2.7 million members between 1980 and 1984, according to the U.S. Bureau of Labor Statistics.

But the public-sector unions are generally healthier than those in private industry. Of the 16 million government workers, about 36 percent belong to unions, a figure that has been almost constant since 1980.

NATO sources in Brussels, providing what they called initial reaction to the two-day Warsaw Pact meeting in East Berlin that ended Friday, said it appeared that some progress was achieved because the East bloc had acknowledged that there were disparities and an imbalance between the two bloc's conventional forces.

The Warsaw Pact communiqué marked the first time that the group

Unions Lose Support in U.S. Federal Work Force

By Judith Havemann
Washington Post Service

WASHINGTON — When President Ronald Reagan dismissed 11,400 air traffic controllers in 1981, unionized government workers and their bosses got the message. The workers got nervous, and the bosses got tough.

"A lot of unions became less aggressive," said James M. Pearce, president of the National Federation of Federal Employees. After the Professional Air Traffic Controllers Organization strike, he said, "People didn't want to stick their neck out."

Managers did.

"Most of management really felt they could ignore labor relations," said a departmental assistant secretary. "They got a lot more bold, a lot more rigid."

Today, nine years after unions gained a legal foothold in the federal government with passage of the first law authorizing collective bargaining for civil servants, union membership among federal workers has plummeted. Political clout has weakened.

And Mr. Reagan's handling of the air traffic controllers' strike set a tone of "toughing it out" that has reverberated throughout the government.

"Members are dropping out because it seems hopeless," said Representative Patricia Schroeder, Democrat of Colorado.

"There is a real question," she said, "whether federal unions will continue to exist."

Not only are unions hamstrung by a law that prohibits bargaining over wages and benefits, but they have a hard time getting management to sit down at the table over the few issues that are negotiable.

"There is no penalty for not bargaining," said Robert Tobias, president of the National Treasury Employees Union, one of the most aggressive of the unions.

If a federal manager refuses to bargain, Mr. Tobias said, the Federal Labor Relations Authority "might order him to post a notice on the bulletin board two years later."

"There is no balance in the process, no outside force pushing to resolve issues," he said.

Representative William D. Ford, Democrat of Michigan and chairman of the House Post Office and Civil Service Committee, called the labor relations environment in the federal government today "very aggressive."

Edward W. Jones Jr., a New Jersey consultant who recently wrote about black managers for Harvard Business Review, said that as "as top manager with the future of the company in his hands," Mr. Rand, 43, amounts to "the Jackie Robinson of the corporate world," referring to the first black in major league baseball, in 1947.

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NATO sources in Brussels, providing what they called initial reaction to the two-day Warsaw Pact meeting in East Berlin that ended Friday, said it appeared that some progress was achieved because the East bloc had acknowledged that there were disparities and an imbalance between the two bloc's conventional forces.

The Warsaw Pact communiqué marked the first time that the group

AMERICAN TOPICS



PRISON TO BE PAROLEE'S HOME — California's governor has ordered that Lawrence Singleton, 59, center, be given a home on the San Quentin prison grounds. Paroled after serving eight years for raping a teen-ager and cutting off her arms at the elbow, he was driven out of six communities. "Understandably, no community wants Singleton, yet he must be placed somewhere," Governor George Deukmejian said.

One Black's Climb To Executive Suite

By Barry Rand is a rarity indeed: a black who not only is an executive at Xerox Corp., one of America's major companies, but who is in charge of the sales force, with 33,000 employees and annual sales of nearly \$5 billion.

He is also the most responsible as The New York Times put it, for "the company's bread and butter."

His annual salary is said to exceed \$250,000.

A survey of the 1,000 largest American companies carried out in October by Korn/Ferry International found only four black senior executives, those just below the chief executive level.

That represented an increase of one since a similar survey in 1979 by Korn/Ferry, an executive search firm. The Bureau of Labor Statistics says the proportion of managers from minority groups increased to 5.2 percent in 1982 from 3.6 percent in 1977.

But black senior executives usually are in charge of employee morale or community relations.

Edward W. Jones Jr., a New Jersey consultant who recently wrote about black managers for Harvard Business Review, said that as "as top manager with the future of the company in his hands," Mr. Rand, 43, amounts to "the Jackie Robinson of the corporate world," referring to the first black in major league baseball, in 1947.

"I can't take solace about being the first black person in this kind of position," Mr. Rand said, because "there are blacks

with ability — superior to mine — who have been trapped by a lack of opportunity."

Short Takes

Republic Pictures is back to making films after a 30-year hiatus, but this time only for television. The studio made 47 John Wayne films (including "Sands of Iwo Jima" and "The Quiet Man"), scores of Gene Autry and Roy Rogers westerns and many other films, most of them low-budget B-grade movies. The company, founded in 1935, produced its last feature in 1957, but remained active in distributing old movies and television shows.

A murder confession has been uncovered by a family refurbishing a house in Fountain, Colorado. The document, concealed under layers of paint on a window molding, was signed by John W. Spicer, who helped build the house in 1899. Spicer died in 1943. "On or about the [illegible] day of March, 1893," the document said, "I did kill and willfully murder with a club one John J. Sebastian for his money and jewelry to the value of \$5,000.00 and did drag the mutilated body to a deep ravine."

"I can't take solace about being the first black person in this kind of position," Mr. Rand said, because "there are blacks

with ability — superior to mine — who have been trapped by a lack of opportunity."

Notes About People

Richard N. Perle, 45, the former assistant secretary of defense for international security

policy, has signed with Random House for a novel, tentatively titled "Memoranda," for an estimated \$300,000 or more. The Washington Post reports. He is also writing a monthly column for U.S. News & World Report magazine and is on the lecture circuit for about \$15,000 per lecture. His literary agent, Robert B. Barnett, called this "Kissinger's three-pronged assault on the private sector."

New York's Finest Drop Baseball Caps

A few years ago, The New York Times recalls in an editorial, the National Association of Uniform Manufacturers called

on New York's police the best-dressed force in the country. "Yes," The Times went on, New York's Finest "had style to burn — until the baseball cap. The baseball cap, with mesh crown and a duck bill, became a summer option in 1984. Sure, it was cooler than the regulation fedora. But did it have presence? Did it convey discipline? Can anything that suggests hot dogs with mustard, pickup trucks and fishing parties reflect the sense of discipline that's conveyed by a uniform?"

"This week, after a three-year run, the baseball cap went out; the traditional eight-sided cap with patent leather visor became mandatory again. To those who wisely recognized the link between style and standards, hats off!"

— ARTHUR HIGBEE

NATO Praises Warsaw Pact Overture To Negotiate on Conventional Forces

By Robert J. McCartney
Washington Post Service

had suggested that it might accept NATO's demands for arms reductions that would eliminate the East bloc's superiority in most categories of conventional weapons.

That concession, included in a statement closing the meeting, moved the Warsaw Pact closer to NATO's position on how to negotiate cutbacks in troops, tanks and other nonnuclear forces in Europe, the source said.

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The Warsaw Pact communiqué marked the first time that the group

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Drug Agents in a Hostage Hunt

Congress Looks Into How White House Bypassed Agencies

By Stephen Engelberg
New York Times Service

WASHINGTON — It was early 1985 and the Reagan administration had failed in attempts to rescue — or even find — William Buckley, the kidnapped Beirut station chief of the CIA. Almost as an afterthought, the White House asked the Drug Enforcement Agency to search its worldwide network of informants for clues to where Mr. Buckley and other American hostages were being held.

From those innocent beginnings grew a yearlong succession of secret operations run by two agency officers assigned to work directly for Lieutenant Colonel Oliver L. North, the former National Security Council aide.

The efforts, which used private money in seeking to ransom the hostages, are coming under scrutiny in Congress as a case study of the White House penchant for bypassing the agencies normally assigned to covert operations.

Investigators also say the operations raise troubling questions about Colonel North's access to U.S. law enforcement agencies.

Sketchy outlines of the operations have been alluded to in congressional testimony on the Iran-contra affair. Congressional investigations and administration officials last week provided the first detailed picture of its origins.

"This is another example of a private operation run by government officials without supervision and the checks and balances that make our government work right," said Senator Paul S. Sarbanes Jr., Republican of Maryland. He is a member of the Senate committee investigating the Iran-contra affair.

"The story of this enterprise," he

said, "demonstrates the absolute folly of proceeding in this fashion."

Colonel North instructed the drug enforcement agents to keep no records. The senator and others, however, were able to relate these details about the operation, which according to Robert C. McFarlane, the former national security adviser, was personally approved by President Ronald Reagan:

* A chief intermediary was a shadowy figure called "the source" who received at least \$200,000 in payments. When Colonel North's team asked him to prove that he was in contact with the captors, the intermediary produced a copy of an Arabic-language newspaper that he said had been initiated by Mr. Buckley. Later, CIA officials said the middle initial was incorrect and Mr. Buckley's secretary said that it was not his handwriting.

* The agents paid money to an Iranian posing as a Saudi prince who, it has been previously disclosed, was pretending to broker a contribution to the cause by Saudi Arabia. The payments to the impostor involved his claim that he might have influence with the people holding the hostages.

* The two DEA officers were worried about agency rules that barred them from handling unappropriated funds to May 1985, one agent enlisted his brother, who was not a government employee, to carry the cash.

* H. Ross Perot, the wealthy Texan, contributed \$300,000 to the hostage rescue efforts. Most of the Perot money went to the operation of the drug enforcement agents, but \$100,000 was used in a futile operation by the CIA and FBI to rescue Peter Kiburn, an American hostage who was subsequently killed.

Fawn Hall Visiting Paris

International Herald Tribune

PARIS — Fawn Hall, Colonel Oliver L. North's former secretary, has dropped out of sight in Washington, D.C., for the last couple of weeks and has been sightseeing in Europe, mostly in Italy and France, with a female friend.

Encountered Sunday on the Left Bank with her friend, Ms. Hall declined to comment on the Iran-contra hearings, including the date on which she expects to be called to testify.

"That stuff comes from my lawyer," she said, "but all of this will come out soon." Ms. Hall said that she has been in Europe sightseeing. "It was a lot more fun than being in Washington."

She has told a federal grand jury that she shredded National Security Council documents at Colonel North's request just before U.S. Justice Department investigators came to review his files. Colonel North is a former National Security Council aide.

ALLIES: Reluctance on Gulf Aid

(Continued from Page 1)
would consider cooperating if those proposals are put to us."

The United States also approached France through diplomatic channels, but the French have not made a public response.

With the exception of the abortive peacekeeping mission in Beirut after Israel's 1982 invasion, France traditionally has been reluctant to act jointly with the United States for fear of compromising its independence or being linked with policies it opposes.

Japan, which gets two-thirds of its oil from the Gulf, has ruled out cooperating in any military deployment there, despite attacks against three of its tankers this year.

Sources at the West German defense and foreign ministries have said that Bonn also faces constitutional restrictions.

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Saudis, Seeking First Submarines, Are Likely to Buy British or French

By Warren Gedde
International Herald Tribune

LONDON — As military tension in the Gulf rises, Saudi Arabia is nearing a decision on its first purchase of submarines, from French or British manufacturers, according to Middle East and industry sources.

The purchase by the Saudis of six to eight advanced diesel-powered submarines would introduce a new strategic dimension into the Gulf, the Arabian Sea and the Red Sea. Delivery of the vessels would take at least three to four years.

Estimates on the value of the contract range from \$3 billion to \$5 billion. The contract includes training, servicing and the construction of submarine ports at two Saudi naval bases, at Jubail in the Gulf, about 25 miles (about 40 kilometers) from Bahrain, and at Yanbu on the Red Sea.

Saudi Arabia is determined to acquire deep-water capable submarines that are equipped with advanced conventional missiles and that can be used for both surveillance and against surface ships.

The Saudis have already acquired a stock of advanced Harpoon missiles, built by McDonnell Douglas Co. of the United States, and are expected to outfit the submarine with those systems.

If the new models are approved by the Guinness Book of Records, as expected, Peperinst will have overtaken Aubigny, France, which last year set 28 records at its annual festival.

The event in Belgium got rained on.

Luc van Lierde, who wanted to pull a 10-ton truck for 1,312 feet (400 meters), abandoned his effort after 65 feet because he kept slipping on the wet pavement.

But there were plenty of record successes.

Claude Rulmont jumped rope for 13 hours and 40 minutes; a middle-aged couple played a game of dice, called 421, for 24 consecutive hours.

Three firemen screwed together enough fire hoses to form one of 19,230 feet, a world record, of course.

It was fortunate that the firemen had brought a couple of ladders. About 20 people who clambered into the seat of the world's largest beach chair, erected in the town square, had to be evacuated by the firemen when the three-story structure started to buckle.

After the 20 people were safely on ground, the giant beach chair was folded up and put away.

Many Marks of Distinction, All Made in Record Time

International Herald Tribune

BRUSSELS — Despite the rain, the Belgian town of Pepinster has set a world record for world records.

Pepinster, with a population of about 5,000, finished its "Week of Records" on Sunday as participants notched more than 30 new records in such endeavors as jumping rope, playing dice and assembling fire hoses.

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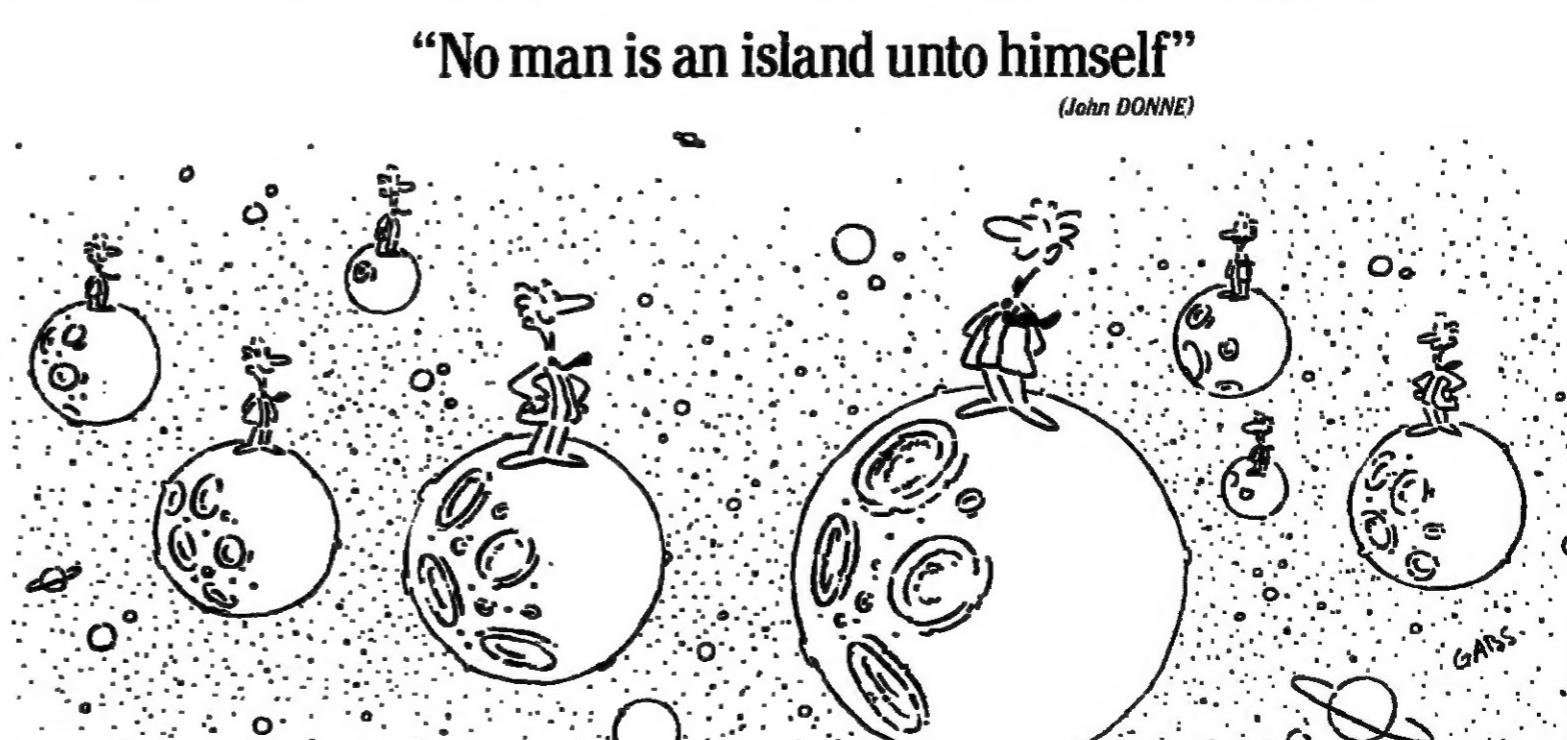
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"No man is an island unto himself"

(John DONNE)



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ing each and every function of the launcher. Occasionally, when we're feeling particularly brazen, we tell ourselves that it may well be the equipment bay that carries Ariane aloft, but, then again, we're not going to start compromising our good relations with our partners on account of a little vanity.

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we'll make space ours.

INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

Let Them Wear Hats

Industrial chemicals are eating away at the high ozone layer that shields life from the sun's harmful ultraviolet rays. To most people the solution is obvious: cut production of those chemicals and find alternatives. Not to Donald Hodel, the U.S. secretary of the interior, and William Graham, President Reagan's science adviser. They object to the State Department's efforts to negotiate an international production freeze. If ultraviolet radiation increases, says Mr. Hodel, people could wear more sunglasses, hats and suntan lotion.

Like Marie Antoinette advising breadless French peasants to eat cake, these two men come at the facts from an odd perspective.

Ultraviolet light does not just cause a pleasant tan. Larger amounts may induce skin cancer and melanoma. Mr. Hodel pooh-poohs that inconvenience: "People who don't stand out in the sun—it doesn't affect them," he says. But the secretary seems to have forgotten about animals. Will the cows be decked out in Vuarnets and sun hats, or to be trained to graze at night?

Mr. Hodel and Mr. Graham believe that there is no hard evidence for the thousands of extra skin cancer cases predicted by the Environmental Protection Agency, and that the EPA ignores likely changes in behavior and technology. They are right, but it makes little difference. The risk of greatly increasing the planet's ultraviolet exposure to the atmosphere, known as the greenhouse effect, are within reach, is not worth running.

The ozone issue has been debated for 13 years, and broad agreement has now been reached that the threat is serious, even though many uncertainties remain. If the delicate ozone veil should be damaged seriously, the food chains of both

land and ocean could be disrupted and all life on Earth would be at risk. The computer models that project the threat are uncertain, of course, but biologists have no doubt that the effect is real.

The United States has led the world in identifying the danger and taking steps to avert it. The threat to the ozone layer comes from chlorofluorocarbons, the unusually long-lived chemicals used as refrigerants, in auto air-conditioning and to make plastic foam. There is no major obstacle to finding suitable alternatives. DuPont, the world's largest maker of chlorofluorocarbons, says it can economically produce safe and effective substitutes within five years.

After months of deaf negotiation, the State Department pulled off a diplomatic triumph last month in persuading recalcitrant Europeans to reduce production by 20 percent. The next step was to secure agreement on a 50 percent reduction.

That is the point at which Mr. Hodel and Mr. Graham have chosen to intervene, seeking to undermine the State Department's position. Their meddling threatens to force the United States from a widely admired position of leadership into humiliating retreat. If agreement cannot be reached even on so clear-cut a danger as the ozone threat, there is even less hope of international action against acid rain and the feared global warming of the atmosphere, known as the greenhouse effect.

The secretary of the interior, charged with conserving the natural environment, and the president's science adviser, who is meant to understand it, should be educating their colleagues — not leading the plunge into sunlit darkness.

—THE NEW YORK TIMES.

Reappoint Paul Volcker

President Reagan faces a critical choice for chairman of the Federal Reserve Board when Paul Volcker's second term expires in August. The smartest move would be to stick with the chairman he already has—and do it now. Mr. Volcker takes needed stands on unpopular issues, sticks by them and takes the heat that timid politicians fear.

Mr. Volcker's commanding intellect and commitment to sound policy have earned him respect throughout the worlds of finance and politics. He has served with distinction for eight years in extraordinary times.

Mr. Reagan inherited the chairman from President Carter, who appointed him in 1979 when he needed a strong presence at the Fed to restore confidence in the dollar. Reagan loyalists at the Treasury dismissed him—indeed, blamed his crackdown on inflation for thwarting their supply-side growth plans. Nor were they happy with his criticism of the

budget deficit. They opposed his reappointment in 1983. But new troubles percolated and Mr. Reagan sensibly kept him on.

Now troubles threaten again. Would failure to reappoint Mr. Volcker shatter confidence in American authority and the dollar? Is he the only person who commands enough respect for nervous times? It is impossible to say. Among other names talked about, Alan Greenspan, former chairman of the Council of Economic Advisors, is highly qualified, and Mammel Johnson, the Fed's vice chairman, has established a good if not commanding reputation. Beryl Sprinkel, current chairman of the council, is a favorite among Reagan loyalists but lacks stature.

Mr. Volcker has no magic solutions, just balance and courage. He deserves reappointment, and, if the president wants to reassure the financial world, the sooner the better.

—THE NEW YORK TIMES.

A Question of Immunity

With extraordinarily bad timing, Whitney North Seymour Jr., the special prosecutor, has precipitated an international flap that has ramifications far beyond Washington's Embassy Row. In pursuing his case against the former White House aide Michael Deaver, Mr. Seymour has attempted to subpoena the Canadian ambassador and his wife and force both to testify in court. It is so clear, on the basis of longstanding international practice and the specific terms of the Vienna Convention of 1961, that ambassadors are protected by diplomatic immunity from such process that legal experts have expressed astonishment at the tactic. The State Department, mindful of the status of American diplomats abroad, went to court immediately on behalf of the Canadians.

This dispute is particularly unwelcome now because it complicates the debate on the whole concept of special prosecutors, or independent counsels. Mr. Seymour has been appointed by a special panel of three federal judges to look into charges involving Mr. Deaver. Under the provisions of a 1978 law, he is to conduct the investigation and proceed with prosecution independently, and the Justice Department has no control over what he does or how he does it. The constitutionality of that law is now being contested in court by Mr. Deaver and, in a separate action, by Lieutenant Colonel Oliver North. In addition, the law itself will expire early next year, and Con-

gress is in the process of deciding whether to extend it, amend it or make it permanent.

At the center of the debate in court and Congress is the idea of transferring tremendous prosecutorial power to an individual who is responsible to no one else in government. Is this constitutional? Is it wise? Is it fair? Are there alternatives for dealing with alleged wrongdoers in high government office? What should be done about an independent counsel who abuses his powers? Should the ethics and conflict-of-interest regulations that apply to all government attorneys be imposed on special prosecutors? Does the attorney general have enough discretion—or too much—in deciding whether to initiate an appointment? These important questions, which have been festering for years, are no longer academic because investigations are now leading to prosecutions.

Now, in spite of overwhelming legal opinion and State Department advice, Mr. Seymour has attempted to do what no other federal prosecutor would do, by proceeding against an ambassador who has diplomatic immunity. In taking this course he has provoked a whole new set of questions about the powers and responsibilities of his office. He would be wise to concede that the subpoena was a bad idea and let judges and legislators consider the law without worrying about its peripheral effect on treaties and international obligations.

—THE WASHINGTON POST.

Other Comment

The Hands Over Soviet Ears

British experts estimate that jamming costs Moscow \$1.2 billion a year—more than all Western governments combined spend to broadcast the programs. When jamming cases in one direction, it usually intensifies in another.

In keeping with the trend, two jamming transmitters previously targeted on the Voice were quickly put to work intensifying the jamming of Radio Liberty and Radio Free Europe, which specialize in broadcasting news of developments within the Soviet Union and Eastern Europe in competition with the controlled Soviet media.

Maybe, in time, jamming of Radio Liberty and Radio Free Europe will be halted, too. As of now, however, the definition of news that can be entrusted to Soviet citizens will continue to be made solely by the Kremlin.

—The Los Angeles Times

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Iraq Deserves U.S. Support—At Least for Now

By Daniel Pipes

PHILADELPHIA — Both combatants in the Gulf war have now had a chance to slam the United States. After Iranian officials spun the armistice-for-hostages trap, Iraqis proceeded to bomb a U.S. Navy frigate. But for all the drama of these episodes, neither alters fundamental U.S. interests in the Gulf. Nor do they affect the basic thrust of American policy, which should be to help Iraq.

Many Americans wish a plague on both Iraq and Iran, and with reason. Baghdad started the war, Tehran continues it. The one uses chemical weapons, the other sends teen-agents to their suicide deaths. Domestically, Baghdad is harsh, Tehran fanatical. Still, a cool assessment of U.S. interests reveals that the two states are not equal. To see why, consider these premises of American foreign policy:

First: Help resist a revolutionary state. Revolutionary regimes usually torment their citizens and attack their neighbors. They also portray the United States as the prime enemy. The Baghdad regime was once revolutionary; it sought to dominate the Arabs, lead the fight against Israel and challenge America.

But much has changed of late. Having learned something from the folly of starting the war, Iraqi leaders seem less likely to harbor aggressive ambitions. Indeed, Iraq's interests and policies now roughly parallel the West's. Iraq today defends the Arab states of the Middle East, such as Jordan and Egypt, that are most threatened by Iran's radical fundamentalism, most friendly to the United States and most open to negotiations with Israel.

Iraq, too, has changed, and much for the worse. Its 10-year history of good relations with the United States is over. Ayatollah Ruhollah Khomeini sees American culture as the main impediment to building a fundamentalist Islamic society. He hates America. Accordingly, Iraq endangers oil shipments from the Gulf, jeopardizes pro-American states throughout the Middle East and threatens to upset

the Arab-Israeli balance. Clearly, U.S. interests lie more with Iraq and its allies, including Kuwait.

Second: Help fight an aggressor. In 1980, when Iraq threatened Iran, U.S. interests lay at least partly with Iran. But Iraq has been on the defensive since the summer of 1982, and Washington now belongs firmly on its side. This is not to say that an Iraqi victory would serve U.S. interests; it would open the way for a Soviet advance into Iran.

But Iraq is nowhere near victory. Should Iraq again take the offensive, an unlikely but impossible change, the United States should switch again and consider giving assistance to Iran.

Third: Promote regional balance. In the long term, the Gulf will stabilize only if Iraq and Iran have roughly equal strength. The United States should do what it can to assure that Iraq survives as a counter to Iran. Ideally, this means a return to the status quo ante. At minimum, it means the survival of an independent government in Baghdad.

Fourth: Promote peace. Americans should never wish that a war continue indefinitely, regardless of how distasteful the regimes involved, no matter how attractive the war's short-term benefits. In the Gulf, the United States can encourage a settlement by indicating to Iran that it cannot win—and therefore that it should negotiate an end to hostilities.

The writer is director of the Foreign Policy Research Institute and editor of its journal, *Orbis*. He contributed this comment to *The New York Times*.

Has Europe, the Crippled Genius, Given Up on Itself?

By James Reston

PARIS — The paradox of Europe these days is that it invented science and is spending twice as much on research and development as Japan, but it is still lagging in the high-technology race to the future.

No doubt its leaders have made progress toward economic integration, but they would rather be separate than successful. The European Parliament is little more than a symbol, national self-interest still dominates the European Community, and 25 years after the Treaty of Rome, Jean Monnet's dream of a United States of Europe is rarely mentioned.

This is not because Western Europe does not have the human and high-tech resources to compete with the United States, Japan and the Soviet Union, but because it is not thinking on the scale of the world, let alone the Continent, and it is exporting its brains and its inventions.

It is intellectually aware of the new world economy. It writes better monographs on the subject than anybody else, but its practical efforts are fragmented and duplicated, often without any link-up with industry.

In short, the critical gap is not abroad but at home. Its politicians are not keeping up with its scientists. The sum of its parts is far greater

than its total performance, and despite considerable success in important sectors such as nuclear energy, biotechnology, computers, aerospace and some aspects of information technology, most observers here conclude that it is lagging behind its major industrial competitors.

Monroe foresees this before he died eight years ago at the age of 90. "Many persons believe," he said, "that in view of Europe's greater prosperity today, limited cooperation between the European nations is enough. I think this shows a profound misunderstanding."

"Our own rate of progress should not blind us to the fact that the rate of progress in the United States and in the Soviet Union is still far greater. The reason is not that they are more inventive or hardworking than Europeans. It is that, despite the differences of their regimes, they are both developing their economies on a continental scale."

Another French critic of this haphazard European groping, Paul Valéry, suggested that there would never be a European League of Nations until Europe developed a league of minds. No doubt this is

economically what it is geographically, a small peninsula on the tip of the Eurasian land mass, dependent, uncomfortable and complacent.

Monet probably would call this too harsh. "You have to be patient," he would say. "You have to mend before you can construct."

He saw history as a series of ever-expanding units—from the village to the region, from the nation-state and from the nation-state to the integration of continents—a long slow progress often achieved by disasters.

Thus, the independence of America through war, the abolition of slavery in America through civil strife, the rejuvenation of the U.S. economy through the Depression, and the reconciliation of France and Germany after two terrible world wars.

It all recalls to an American visitor the fierce divisions and squabbles between the independent American states in the 18th century. But 200 years ago this summer, at the constitutional convention in Philadelphia, they formed a "more perfect union."

Monet, who was still around, probably would predict that one day in the next century, the divided Europeans might do the same.

The New York Times

The Nuclear Issue Is Giving Kinnock a Loser's Look

By Anthony Lewis

LONDON — Neil Kinnock is a charmer. In his 45-year-old leadership, the Labor Party has the most attractive personality to take it into an election in decades. He is talkative, friendly. He comes across as quick, sympathetic, engaging.

His personal qualities have dominated the Labor campaign. The party's opening television broadcast was about Neil Kinnock and his family; the word on the screen at the end was not "Labor" but "Kinnock."

That was extraordinary in a country where people vote only for their own member of Parliament, not for a national ticket. And it seemed to work: in the early polls Labor looked to be a serious challenger.

But policy has now caught up with him. Mr. Kinnock is trapped in a debilitating argument about his defense policies: nuclear weapons, the Soviet threat, the relationship with the United States. And those issues can be a disaster for Labor.

It all began last week, in a television interview. Mr. Kinnock, discussing the need for a nuclear deterrent, said: "Of course any effort to

occupy Western Europe, or certainly to occupy the United Kingdom, would be utterly untenable, and any potential force know that very well."

From those rather mucky words the press and political critics drew the idea that Mr. Kinnock favors British guerrillas making life unbearable for Soviet occupiers. David Owen of the centrist Alliance—the partnership of the Liberal Party and the Social Democratic Party—cracked: "When you've accepted occupation, there's not much need for a defense policy."

Mr. Kinnock has been staying away from Labor's daily press conference in London, touring the provinces instead. Finally, Thursday, he appeared. He made a statement about economic policy—and got a deluge of questions about defense. What did he mean by saying occupation would be "untenable"? He replied that a Soviet effort to dominate the free countries of Western Europe would be "a militarily completely unfeasible proposition."

If Britain were threatened with Soviet blackmail, he was

asked, would he call on the United States to use nuclear weapons?

He would not, Mr. Kinnock said, because that would lead to "nuclear oblivion." He said it was "not a romantic but a scientific point."

The use of nuclear weapons in Europe would be a terminal act."

There was an air of uneasiness about the whole series of questions. Just about no one thinks a Soviet invasion of Britain is likely. The scenario of American nuclear strikes on Western Europe in order to save it is at the far edge of believability.

But the questions touched on something that matters deeply, in the strategy of nations and in the reality of politics. That is nuclear deterrence.

Prime Minister Margaret Thatcher understood that perfectly when, a few minutes later, questions at her press conference told her what Mr. Kinnock had said.

An occupation not militarily feasible?

"I seem to remember that in 1940 it was," Mrs. Thatcher said.

"Of course there is and will continue to be a Soviet threat," she added.

"If you rely on hopes for the defense of your country. What deters attack is nuclear weapons."

Mrs. Thatcher's words were pointed. But far as it may have been to use the symbol of Britain standing alone against the Nazis in 1940, Mr. Kinnock and his party really have made themselves vulnerable.

Labor has called for Britain to give up its own nuclear missiles and close U.S. bases. It says President Reagan and Mikhail Gorbachev are moving toward

Hasten
Strange
To For
R. Jim

Out of the Blue, a Quick Test of Gorbachev

By Philip Taubman
New York Times Service

MOSCOW — The unobstructed flight of a small civilian aircraft across Soviet airspace last week has presented Mikhail S. Gorbachev with perhaps the most delicate test yet of his leadership. Western diplomats said Sunday.

At a time when the Soviet leader faces mounting criticism that his domestic policies are undermining discipline and shortchanging Soviet defenses, the unimpeded flight by a 19-year-old West German pilot to the heart of the capital on Thursday raised questions about Mr. Gorbachev's stewardship as head of the Defense Council, Moscow's highest military authority.

The diplomats said the dismissal by the Politburo on Saturday of Defense Minister Sergei I. Sokolov and the commander of Soviet air defense forces, Marshal Alexander I. Koldunov, was carried out in part to deflect responsibility away from Mr. Gorbachev and the Communist Party leadership.

The Politburo's actions followed a pattern set in the aftermath of the Chernobyl nuclear accident last year. Government officials were

dismissed for negligence, but party authorities assumed no responsibility for the disaster.

The Politburo's stern rebuke of the military, accompanied by a renewed call for enhancing Soviet defenses, also gave Mr. Gorbachev a chance to counter concerns that he is indifferent to military requirements.

Since taking office in March 1985, Mr. Gorbachev has pressed the military to hold down growth in defense spending and has pursued a number of foreign policy initiatives, including an 18-month moratorium on underground nuclear testing that have troubled defense advocates.

The sequence of events also provided an excuse to remove Marshal Sokolov, a 75-year-old World War II veteran and armored forces specialist, who has not been a member of Mr. Gorbachev's inner circle.

His replacement, General Dmitri T. Yavoz, 63, who was the deputy minister of defense for personnel, appears to have been hand-picked by Mr. Gorbachev.

Mr. Gorbachev, who has promoted a number of officials who apparently first impressed him during his travels around the Soviet

Union, spent some time with General Yavoz in July during a visit to Khabarovsk headquarters of the Foreign Eastern Military District.

General Yavoz was district commander until early this year when he was brought to Moscow.

The shift leaves vacant a non-voting slot on the Politburo held by Marshal Sokolov, which Mr. Gorbachev may use to bring another supporter into the party's top leadership, possibly General Yavoz.

Western diplomats said that Mr. Gorbachev had no choice but to deal quickly and firmly with the Rust case because any sign of indecision could have been used against him by opponents who contend he has been soft on defense issues.

The diplomats said that the dismissal of Marshal Sokolov and Marshal Koldunov would postpone, but not necessarily prevent, responsibility for the defense breakdown from reaching Mr. Gorbachev himself.

"If you're keeping score, a Western diplomat said Sunday, "I think Gorbachev picked up points over the weekend but the flight may still cost him in the long run."

Tass, in an apparent effort to put



Dmitri T. Yavoz

the events in a favorable light, took the unusual step Sunday of citing as assessment by Zbigniew Brzezinski, the White House national security adviser in the Carter administration, that Gorbachev may have made the plane's 400-mile (650-kilometer) flight over Soviet airspace particularly irritating to the Soviet leadership.

Western military experts in Moscow and elsewhere have suggested that the plane, which was piloted by a 19-year-old West German, managed to dodge Soviet radar by flying very near the ground.

In other incidents that have come to light over the decades, the Soviet air defenses have sometimes

Forests of Missiles, 500,000 Guards Didn't Stop Plane on Way to Moscow

By Eric Pace
New York Times Service

NEW YORK — The Soviet air defense system, which failed to intercept the single-engine Cessna that flew from Helsinki to Red Square, is enormously extensive, with forests of missiles, thousands of warplanes and more than 150,000 men and women either deployed or on call.

In recent years, the system has emphasized defense against low-level aerial incursions across the long Soviet borders. Some Western analysts have suggested that this emphasis may have made the plane's 400-mile (650-kilometer)

flight over Soviet airspace particularly irritating to the Soviet leadership.

It cites an "increasing emphasis by Western air forces on low-level penetration attacks."

According to the handbook, the Soviet Air Defense Command is estimated to have 550,000 personnel in service and more than a million reservists. It includes more than 2,500 interceptor aircraft in addition to missiles, and there are special arrangements for the protection of Moscow and other key sites, the handbook said.

Restrictions on flights supplement the air defense system. A So-

viet government spokesman said Friday that air traffic had been banned over Moscow since the 1950s. The three airports that serve the capital are well outside its perimeter.

An early postwar triumph of the system came in 1960, when a high-altitude U.S. reconnaissance jet, piloted by Francis Gary Powers, was shot down.

More recently, the best-known display of the system's deadly abilities came in the Far East on Sept. 1, 1983, when Soviet planes intercepted a South Korean Airlines Boeing 747 jumbo jet that had entered Soviet airspace. It was shot down, killing 269 passengers and crew members.

A similar incident occurred in 1978, when a Soviet jet interceptor forced a South Korean airliner to land on a frozen lake 650 miles north of Moscow after it strayed into Soviet airspace. Two of the 97 passengers were killed and 16 were wounded.

The passengers reported that a single Soviet interceptor had fired at the plane, which was more than 1,000 miles off its Paris-Soeul course.

Before the flight of the Cessna on Thursday, perhaps the most dramatic known instance of the Soviet system's failure to intercept a private aircraft came in 1978. A Soviet merchant seaman who had defected to Sweden flew into and landed in the Baltic region of the Soviet Union twice in an attempt to pick up his wife and take her back out with him.

She evidently failed to appear for the rendezvous, and the defector was arrested in Sweden when he returned from his second trip.

On Thursday, a Soviet citizen also eluded his country's air defense system when he piloted a crop-dusting aircraft from the Baltic region of the Soviet Union out of Soviet airspace and over the Baltic Sea. He ditched the plane in the Baltic near the Swedish island of Gotland and waded ashore.

The Soviet Union is not the only nation where incursions into its airspace have led to incidents and problems. The United States has been trying to intercept or forestall flights into its airspace by planes carrying contraband narcotics.

MOSCOW: Defense Minister Fired

(Continued from Page 1)
ganizing the alert for the protection of the airspace of the country, a lack of due vigilance and discipline; and major dereliction of duty in the guidance of forces by the U.S.S.R. Defense Ministry."

The Tass account also said that Chief Marshal Alexander I. Koldunov, 63, who has headed the air defense forces since 1978, had been dismissed.

The Soviet leadership accused Marshal Koldunov of "negligence and lack of organization" in connection with the violation of air space, Tass reported, and for "lack of control over the actions of the anti-aircraft defense forces."

The senior military state-up indicated the extent to which the anti-plane episode had embarrassed the Soviet leader, Mikhail S. Gorbachev, who was meeting in East Berlin with Soviet bloc leaders when the reports of the incident surfaced. It also showed his willingness to

dismiss the military's highest-ranking officers when mistakes occur.

Tass said the Defense Ministry told the Politburo that Mr. Rust's plane had been detected by radar as it approached the Soviet border. "Soviet fighter planes flew twice around the West German plane," Tass said, but apparently did nothing.

The leadership, according to Tass, said that air defense forces showed "incredible unconcern and indecision about cutting short the flight of the violator plane without resorting to combat means."

The report did not make it clear whether that meant shooting the plane down or forcing it down.

Mr. Rust, who buzzed Red Square three times at low altitude after flying over 420 miles (680 kilometers) of Soviet territory in a flight from Helsinki, was being questioned by Soviet authorities, according to the West German Embassy.

The Politburo statement on the



episode and the separate statement on the retirement of Marshal Sokolov were read on the main national evening television news program. The two events were not directly linked in the official reports.

The Politburo statement also did not say that Mr. Rust had landed his single-engine Cessna alongside the Kremlin, which observers said indicated that the leaders were clearly sensitive about how close the aircraft had come to the heart of the power structure.

The senior military state-up indicated the extent to which the anti-plane episode had embarrassed the Soviet leader, Mikhail S. Gorbachev, who was meeting in East Berlin with Soviet bloc leaders when the reports of the incident surfaced. It also showed his willingness to

(Continued from Page 1)
make public by the Politburo in a statement Saturday night, air force jets twice "flew around" the intruding Cessna. But the air defense commanders showed "incredible unconcern and indecision about cutting short the flight of the violator plane without resorting to combat means," the Politburo said.

What remains unclear is whether Soviet air defense forces misidentified the plane, lost track of it or simply could not make up their minds to force it down.

Western military analysts said it was possible that Soviet jets, flying at speeds several times that of the 130-mph (210-kph) Cessna and trying to detect its form amid the visual "clutter" of trees and towns, could have sped past the little plane and lost it.

Mr. Rust remained in custody and presumably under interrogation Sunday, and the motives for his audacious flight were still unknown. West German diplomats

were expected to visit him for the first time early in the week.

Klaus Neubert, an embassy official, said Sunday night that the West German government had no independent confirmation of Mr. Palin's remark that Mr. Rust would be given lenient treatment.

The West German spokesman said Mr. Rust had been arrested and was under investigation but that no specific charges have been brought against him. He said the embassy had not been told where Mr. Rust was being confined or by what agency.

He was reportedly led away from Red Square Thursday night by police, and some reports indicate he was being questioned by military officials.

Western diplomats Sunday discounted reports that Mr. Rust had arrived in Moscow with a woman passenger. The West German Embassy spokesman said "the only German citizen involved is the young man."

PILOT: Early Release Is Called Likely for Youth Who Landed in Moscow

(Continued from Page 1)
Video of Flight Shown

Mr. Rust told amazed bystanders in Red Square that he had contacted with a Soviet jet during his flight to the center of Moscow, Reuters reported Sunday from Hamburg.

Audio film shot by an unknown person and screened on West German television's main evening news Sunday night showed Mr. Rust's rented plane circling the Kremlin domes, swooping in to land, then taxiing up to the Kremlin wall.

The 19-year-old flier, an over-hero in West Germany, was shown standing in the midst of a group of excited Russians, signing autographs and answering questions in German and English.

Mr. Rust, wearing a bright red flying jacket, told a disbelieving woman questioner twice that he had come from Helsinki. Asked how long it had taken, he said: "Five hours."

"After one hour after Helsinki I had a short contact with a jet of the

Russian Air Force," he said. Mr. Rust did not say whether the contact was simply visual or whether the Soviet pilot had managed to radio his light aircraft.

A West German television spokesman said the original film, acquired from the American NBC network, which bought it in Moscow, was longer than the 90-second segment that was screened Sunday night.

The spokesman said the film did not appear to show a woman getting out of Mr. Rust's aircraft, as some reports have asserted.

Mr. Rust's father, Karl-Heinz said from the family home in Wedel, near Hamburg, that the video film had taken him completely by surprise.

"Simply fantastic," Mr. Rust said of his son's appearance in Red Square.

He added that he was especially happy to see how self-confident and carefree his son looked amid the Pussiers.

AFRICA: Epidemic Is Threatening a Continent's Elite

(Continued from Page 1)
movers and shakers can you lose before the net effect becomes a dampening of social progress?"

Statistics about the spread of AIDS in Africa are sketchy and unreliable. Most AIDS statistics are based on studies of people living in cities, although more than four out of five Africans live in rural areas. Recent tests of Africans in isolated rural areas have found infection levels to be sharply lower than in cities. In a remote Zairian village last year, for example, only 1 percent of the population tested positive for the virus.

Authoritative statistics have been harder to obtain in the past year as some African governments have tried to stringent controls on sexual promiscuity as a prime reason for the rapid spread of AIDS in Africa. AIDS has infested many Africans, only 1 percent of the population tested positive for the virus.

African governments have reported 4,700 clinically confirmed cases to the World Health Organization. Researchers and African health officials, however, say that figure is a gross underestimate of the spread of the disease.

The organization estimates that at least 50,000 Africans have symptoms of AIDS and that 2 million or more are infected with the virus. Many virologists believe that about half of those now infected will die within five years and that nearly all will be dead within 10 years.

"There is no doubt that at this point one is talking of many millions of deaths in Africa," Mr. Tinker said.

The heavily affected countries are expected to have a doubling of AIDS and that behavior may be beginning to change.

According to U.S. officials in Kenya, demand for condoms has jumped from 10,000 a month a year ago to 300,000 a month now. A similar demand for condoms occurred early this year in Uganda where 500,000 U.S.-supplied condoms disappeared weeks after arriving in the country.

What alarms many health officials and researchers most about the African epidemic is that it appears to target a group that the developing continent cannot afford to lose: skilled young adults.

In several African countries, according to Dr. Mann, senior government officials and business leaders have died of AIDS. Worldwide AIDS could adversely affect the opportunities of Africans to obtain much-needed university and technical training abroad.

Multinational companies with large investments in Africa have begun to consider moving their operations, according to Mr. Tinker, who recently has been approached by AIDS researchers about AIDS yet to develop.

He said that immediate international support for education, blood screening and strengthening the health systems in African countries, where per capita spending on health averages about \$1.75 a year,

can check the spread of the disease.

Only Uganda has developed a long-term plan to fight the disease.

At a meeting of aid donors last week in Kampala, more than \$6 million was pledged to support that plan.

As the aid effort continues, international publicity focusing on sexual promiscuity as a prime reason for the rapid spread of AIDS in Africa has infested many Africans, only 1 percent of the population tested positive for the virus.

AIDS has not spared either the ordinary worker or the executive and professional sectors.

Uganda, which has led the way in openness about the spread of AIDS, is not an isolated case. Research in Uganda, the Central African Republic, Zaire, Rwanda, Burundi, Tanzania and Zambia has found a repeated pattern of infection among the educated elite.

In Zambia, tests of blood donors in towns of the northern copper-mining region found that 13 percent were infected with the virus. Of that group, according to Zambian health officials, 68 percent were skilled professionals.

"In a country that is just beginning to develop," says Dr. Jonathan Mann, director of the World Health Organization's special program on AIDS, "how many young

REAGAN:
Testing Ordered

(Continued from Page 1)
Health Service, as well as the World Health Organization.

Representative Henry A. Waxman, Democrat of California, who has frequently questioned the administration's AIDS plans, said Sunday that the proposal for routine testing on a large scale is "a triumph of politics in the administration over all the advice of our public health experts."

In Kenya, which depends heavily on foreign tourism, foreign press reports about AIDS infection levels have led to stringent controls on the release of AIDS research data. A cabinet-level committee now decides what to make public.

Across Africa, there is evidence that people are getting the message about AIDS and that behavior may be beginning to change.

According to U.S. officials in Kenya, demand for condoms has jumped from 10,000 a month a year ago to 300,000 a month now. A similar demand for condoms occurred early this year in Uganda where 500,000 U.S.-supplied condoms disappeared weeks after arriving in the country.

The recommendations that come out of the meeting will be the highest expressions of concern about AIDS yet from world leaders.

The AIDS epidemic is expected to be high among the issues addressed by the leaders of the seven-nation industrial summit conference in Venice next week.

The leaders are also expected to support a meeting of the world's health ministers about public education, according to the theme agreed upon for the conference by its planners.

The mere fact that the heads will have talked about AIDS even if it is for 10 or 15 minutes — that allows national efforts to get galvanized and move forward," said Eric D. Melby, a special assistant to W. Allen Wallis, undersecretary of state for AIDS.

"Most people see it as a twinge, a manageable ache, not a major emergency, and they have learned to live with it," said Daniel Elazar, a political scientist. "The big problem in Israel is we're between visions. We've said goodbye and good riddance to the supercharged idealism of the founders of the state, but we have yet to replace it."

The recommendations that come out of the meeting will be the highest expressions of concern about AIDS yet from world leaders.

France: Political Strains

IN THE NEWS

May 28: International Talks

Begin on Terrorism

U.S. Attorney General Edwin Meese 3d and top officials from Japan, Canada and seven European countries meet to discuss international cooperation against terrorism. The meeting comes as France tightened security in response to a letter from the Committee of Solidarity with Arab and Middle East Political Prisoners which threatened a "hot summer" if three convicted terrorists serving life sentences in France were not freed. The group has claimed responsibility for last year's bombing wave in Paris.

May 15: Jobless Rate

Expected to Reach 11.7%

INSEE, France's national economic institute, in its outlook for the rest of the year, predicts that unemployment will rise to 11.7 percent and inflation to 3.5 percent while the growth rate will stagnate at about 1.1 percent. It attributes the rise in unemployment from the current 11.1 percent to continued economic restructuring.

May 11: Barbie Trial

Opens in Lyon

The trial of Klaus Barbie, head of the Lyon Gestapo from 1942 to 1944, opens in Lyon, the city which was considered the center of resistance against the Germans. Barbie, 73, is on trial for crimes against humanity during World War II. On May 14, he began boycotting the proceedings, contending that his expulsion from Bolivia in 1983 was illegal. Barbie reappeared in court May 26, after Judge André Cerdini ordered him brought back to face witness.

March 28: Mitterrand, Kohl

Unify Arms Approach

After more than four hours of talks, Chancellor Helmut Kohl of West Germany and President François Mitterrand announced that they have unified their positions on European defense and disarmament.

April 24: Le Pen Announces

Presidential Candidacy

Jean-Marie Le Pen, the leader of the extreme-right National Front, announces his candidacy in the 1988 presidential elections. The announcement, and subsequent statements by Mr. Le Pen on television, create rifts in Prime Minister Jacques Chirac's Rally for the Republic party. Michel Noir, the Gaullist minister for foreign trade, warned his colleagues against moving toward Mr. Le Pen's ideology to capture votes. Mr. Chirac appealed for an end to the dispute, but refused to take sides.

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Privatization leads to a scramble for share of France's expanding television market.

Culinary Mystique 12

Does France's gastronomic mystique really match reality?

Warming Up for Presidential Election

Le Pen's Candidacy Exposes Divisions in Rival Parties

By Brigid Phillips

PARIS — The election for the next French president is still a year away but already it looks like a race that will tear at the fiber of the traditional parties and trouble the conscience of France.

The prospect of the election has sharpened rivalries within both conservative and leftist parties as politicians and partisans line up behind competing potential candidates. The internal tensions have come into public focus, particularly within the coalition of conservative parties that was elected with a slim majority to the National Assembly 14 months ago.

However, no issue is likely to highlight those tensions more than the question of how to react to the extreme-right National Front party.

The National Front leader, Jean-Marie Le Pen, ran for president in 1981 and polled less than 1 percent of the vote in the first round of balloting. But since then, his fortunes have turned.

He has had respectable showings in municipal and regional elections and in the 1984 election for the European Parliament. In last year's legislative election, he won almost 10 percent of the vote, which, under a new proportional voting system, gave him 35 seats in the National Assembly.

Mr. Le Pen is the only declared candidate in the presidential election that should be held next spring. With the legitimacy that he gained from a place in the National Assembly and a solid base of popularity of about 10 percent, he has become ever more raucous in thumping his ultrconservative platform.

He believes the unemployment problem can be solved by offering jobs to Frenchmen first and sending immigrants back to their homelands. He proposes incentives for women to stay at home with their children. He demands



Raymond Barre

François Mitterrand

Jacques Chirac

reinstatement of the death penalty, and is regularly called anti-Semitic, racist and xenophobic in the press.

Most recently, he outraged television viewers by proposing that AIDS victims, whom he called "today's lepers," be isolated in homes as we would do for any great epidemic."

"We should have the courage to admit," he said, "that AIDS can only be caught through drug-use and sodomy." He went on to accuse Health Minister Michèle Barzach of being an accomplice to genocide, under orders of the lobby financing pornography and sex shops."

Mr. Le Pen's positions are considered dan-

gerous by a strong majority of the French. He has been unable to boost his popularity above 10 percent in the past two years. All the main political leaders distance themselves from Mr. Le Pen, and polls show that any party that forms an alliance with the National Front is guaranteed to lose an election.

Yet, he has maneuvered into a power-brokering position that goes well beyond his electoral support. He is making his issues the election issues, and he is wreaking havoc in the traditional parties.

"The biggest question today is: Will the issues of the National Front be the main issues



Jean-Marie Le Pen, the leader of the National Front.

Even if there are no outright vote-sharing deals done with the National Front, will other parties be tempted to borrow Le Pen's rhetoric in order to steal some of his sympathizers.

in this long run-up to the election. Even if there are no outright vote-sharing deals done with the National Front, will other parties — especially on the right — be tempted to borrow Mr. Le Pen's rhetoric in order to steal some of his sympathizers?

That question was posed recently in a front-page lament in *Le Monde* by Foreign Trade Minister Michel Noir, a young and visible member of Jacques Chirac's Rally for the Republic party. "Are we," he said, "ready to sacrifice our souls in order to win elections?"

Continued on page 10

Defense Policy Shifts From Isolationism Toward Europe

By Kenneth R. Timmerman

PARIS — Ever since De Gaulle returned to power in 1958 and finalized work on the French strategic nuclear force, French defense policy could be summarized in a single phrase: securing the national sanctuary.

But, in fact, according to a 1985 West German defense white paper, secret agreements were drawn up between France and the North Atlantic Treaty Organization specifying how the French would coordinate with the integrated NATO forces in central Europe.

In a speech last September at the French National Defense Institute, Prime Minister Jacques Chirac announced that France was abandoning its isolationist defense policy.

Mr. Chirac emphasized that France's security no longer depended on the national sanctuary alone, but would be "played out on the borders of her neighbors." He added that threats to French security "could also come from the sea, which covers more than two-thirds of the globe."

French strategists have long debated the role that French armed forces should play in the defense of Europe. Even De Gaulle, who pio-

nneered French isolationism, insisted that the French 2d Army remain stationed in West Germany despite France's pullout in 1966 from the NATO integrated command.

The gist of French conventional strategy then became the ambiguity of when and where French forces would join the battle before the strategic weapons of the French nuclear force were unleashed.

But, in fact, according to a 1985 West German defense white paper, secret agreements were drawn up between France and the North Atlantic Treaty Organization specifying how the French would coordinate with the integrated NATO forces in central Europe.

Further classification of this role was made on Feb. 25, 1982, when President François Mitterrand of France and Chancellor Helmut Schmidt of West Germany announced the formation of an "alliance within the alliance."

Until the French Socialists came to power in 1981, the idea of a "French-German pillar" to European defense, set out in the Elysée Treaty of 1963, had remained a dead letter.

But soon after the Socialists took office in June 1981, Prime Minister Pierre Mauroy be-

gan describing Western Europe as a common

"space of defense" and called for "an autonomous center of military decision in Europe."

After the 1982 French-German summit meeting, military cooperation between the two countries increased dramatically, with biannual

meetings between the French and West German defense ministers, joint troop maneuvers in West Germany and cooperative armaments development.

The following year, a major reorganization of French ground forces was ordered by Defense Minister Charles Hernu to increase their

mobility in the European theater. An "air mobile" division was created, with 240 attack and anti-tank helicopters, as the centerpiece of the 47,000-member Rapid Deployment Force.

As Chancellor Helmut Kohl of West Germany said in Paris recently, the perception of a shared European defense has become so strongly anchored that most Germans realize that "French soldiers serving in West Germany know he is going against several countries at once. It is a problem the French will have to resolve."

However, the most spectacular move toward a European defense was Mr. Mitterrand's offer in January 1986 to consult with Bonn in times of crisis on the use of French tactical nuclear weapons.

In a press conference in Paris on May 22 following a French-German summit meeting, Mr. Mitterrand called the French strategic nuclear force "an important contribution to NATO's deterrent" capability, even though the final decision concerning its use remained with the French president.

"We are advancing toward a European defense," he said. "Both Germany and France are moving deliberately in this direction."

However, there can be no joint French-

German military command as long as West Germany remains in the integrated NATO command, and France without.

The problem is that the French have their own disparate command," said Manfred Wörner, the West German defense minister. "And the joint NATO command structure is a deterrent factor of high degree. An attacker knows he is going against several countries at once. It is a problem the French will have to resolve."

Whether or not France will opt to rejoin the NATO integrated command remains an open question. Noting "the paradox" that West Germany lacked a nuclear deterrent despite its NATO membership, while France had a nuclear deterrent while remaining outside the NATO command, Mr. Hernu said that this "could lead in coming years to modifications in the legal statutes of the Atlantic alliance."

Mr. Hernu is not alone. The French military establishment has responded favorably in recent years to the upswing in French-German military cooperation, and sees German

Continued on page 12

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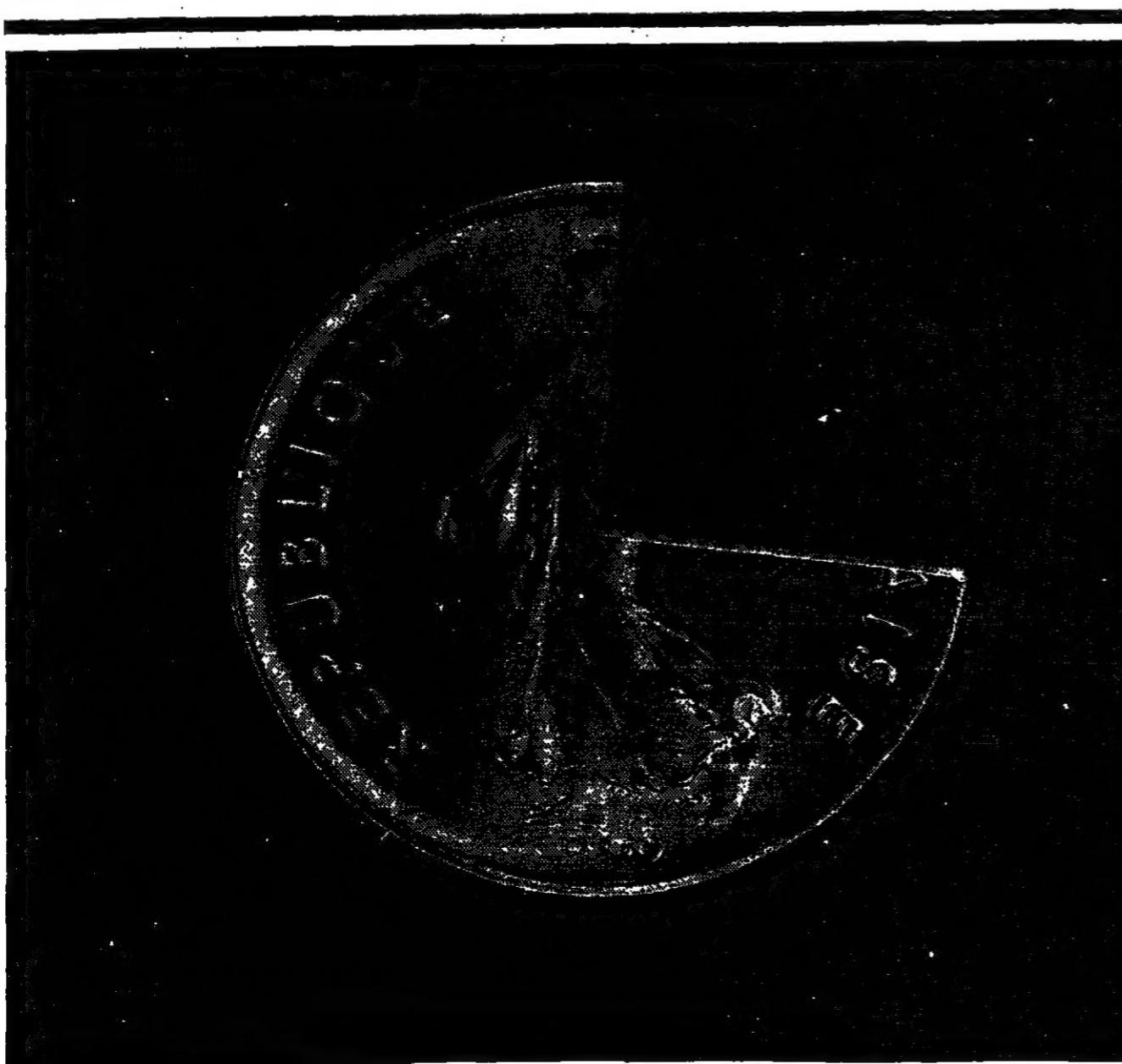
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Privatization Proves Inefficient

By Vivian Lewis

PARIS — Criticism of the way French companies and banks are being privatized is mounting. The government, and particularly the team at the Finance Ministry handling the selling off of state-owned firms, is being attacked by the Socialists led by Pierre Bergégo, a former minister of economics, for mispricing and for cronyism, for interfering with free markets and for conflicts of interest.

The privatization system is already proving inefficient, and if newly private shares continue to be seen as a sure way to earn money fast (by buying, selling shares for a profit after subscribing) it may even become unworkable.

Meanwhile, newly denationalized firms, like Paribas, are under attack by their new shareholders for failing to give board representation to the overwhelming majority of shareholders, 3.2 million small French investors who own four shares each.

Since the process of privatization will be a key plank in the 1988 election campaign of Prime Minister Jacques Chirac, these charges are too serious to be ignored. Successful denationalization, the French are beginning to realize, will not only be a matter of finding buyers for equity formerly held by the state. How they are found matters too.

A major issue is the price at which the shares are sold. In order to be sure to sell the shares it is offering — and to make sure the public will make money from denationalizations in the longer term — the Finance Ministry has pitched prices low.

One result has been that the French have learned to stage, to bid on new issues in order to sell with a gain as soon as trading begins. This tactic has already been adopted by 20 percent of the purchasers of Paribas stock, despite the chances of a one-for-10 free share in 18 months if they hold.

Fearful of attack from the So-

Company	Offer Price*	First Trading Day	At Close May 29
St. Gobain	\$10	\$65	\$44
Paribas	405	\$30	\$485.50
Cofco	107	\$25	\$32

* Price per share in French francs.

cials, the team around Finance Minister Edouard Balladur has also tried to control information about pricing.

During the drawn-out process of attributing shares to French resident individuals, who have priority in purchase under the denationalization law, trading on the "gray market" operated by London brokers will already have begun — at a premium.

But to try to control French demand for the new stock, the government has clamped down on quotation or even newspaper publication of gray-market prices in France.

Some French investors, realizing that the number of shares they are likely to receive will be reduced, have reacted by filing applications for every member of the family. This is one reason the number of shareholders has skyrocketed in France. Although a French bank is accused of fraudulent multiple filings in the British Gas privatization, there have been no charges of fraud so far within France.

The system is resulting in a paperwork nightmare for banks and brokers handling the applications, and for the newly privatized companies to deal with. Furthermore, chances are that what France is achieving is not so much a broadening of share-ownership as a multiplication of the number of accounts among members of families that already have the habit of owning stock.

Some of this agitation may result in needed reforms of French stock market traditions. Ownership without representation is not shareholder democracy.

Perhaps more politically dangerous in the long term are accu-

sations of cronyism and conflicts of interest. Sometimes the charges made in the French press border on the ridiculous, like the theory that Mr. Balladur is looking for a job for himself at a denationalized company after he leaves the Finance Ministry.

But there seem to have been some odd inclusions, and omissions, among the block shareholdings sold during some recent bank privatizations. The system sets up a hard core of French institutional investors who pay a premium over the public underwriting price in return for a block of shares and a say in the future of a company or bank.

The dismissal of the former Socialist-appointed chairman of the Banque de Travaux Publics shortly after its privatization made it clear that politics does have a role in the designation of new owners.

In addition to paying a premium, the block shareholders have to keep their stock for a period of years. But unlike the public, they can get exactly as many shares as they seek and do not face reduction because of excess demand.

The international side of the selling off is not very popular either. Bidding is essentially confined to institutions outside France, just as it is essentially confined to individuals inside France.

Banks that sought permission to have their shares listed outside France were turned down by the Finance Ministry.

One reason is that the Finance Ministry distrusts foreign markets even more than it distrusts French ones. Fearful that a foreign listing will result in a demand for denationalization issues, that it cannot control, the ministry has consistently blocked attempts by privatization companies or their underwriters to make a public listing outside France.

VIVIAN LEWIS, a Paris-based financial journalist, is a regular contributor to *The Banker* and the International Organizations Monitoring Service.

Firms Mobilize to Invest Abroad

PARIS — French companies are not going to miss the chance that a declining dollar gives them to buy U.S. assets cheaply. For those companies with global ambitions, 1987 is likely to be a year of international, and particularly U.S., investment.

In order to internationalize their investments, these French companies will have to internationalize their capital and borrowing as well.

However, because of nationalism at home, French companies are not always as free as their foreign rivals to become truly multinational.

A sign of the times is the decision by Sanofi, a pharmaceutical and cosmetics firm quoted on the Paris stock market although it is two-thirds controlled by the oil company Elf-Aquitaine, to apply for quotation on the Swiss and West German markets as part of a capital increase in May. Sanofi hopes to win shareholders from Benelux and Britain as well as West Germany and Switzerland.

Its parent, Elf-Aquitaine, which is quoted on the Paris Bourse although it is controlled by the French government, plans to gain a listing this year on the New York Stock Exchange. This will be the first Big Board listing for a French parent company. But because Elf directly and Sanofi indirectly are controlled by the government, it is difficult to dissociate their investment policies from government ones.

Furthermore, even French private sector companies are limited in their internationalization.

French private sector multinationals, such as Lafarge or Club Méditerranée, already have their U.S. subsidiaries on the New York Stock Exchange.

Other, such as BIC Corp. or Liquid Air, subsidiaries of BIC and Air Liquide, are traded over-the-counter in the United States. These listings are either the result of marketing ploys aimed at winning consumer support or result from takeover bids of listed firms.

But their parent firms, fearful of losing control to foreign investors, so far are not listed outside France.

Lafarge is a cement firm, which bought General Portland and in late 1986 for preferred stock the National Gypsum Alpine plant. It has important interests in biotechnology, partly in joint ventures with Aji-No-Moto of Japan.

But exchange controls are only a symptom of a wider problem, the way the French government and unions, and ultimately industry, view the world. Inward investment in France is

closely monitored and often interfered with on trivial grounds. This was the case when it bid by Carlo de Benedetti for control of Valéo, a troubled auto parts manufacturer, was blocked because of national security considerations. A small part of Valéo's business is in making brakes for tanks.

If Rhône-Poulenc or another state-owned firm won permission to privatize its shares, only a maximum of 20 percent could be sold to foreigners under French law. The contrasts with the situation in most other European countries and the United States, where corporations either do not know the nationality of those who own them, since without exchange controls it is hard to track investment, or do not particularly care.

Unilever Novo Industri of Sweden, Telefónica of Spain or dozens of U.S., Dutch or Japanese companies that are controlled by foreign investors, French multinationals corporations seek to prevent foreign investors from getting a major stake.

French unions and the government force companies to justify overseas investment by pledging that such an investment will not damage jobs at home. A decision to maintain a laboratory in the United States, such as Rhône-Poulenc doing with a former Union Carbide facility in North Carolina, has to fight for. But a worldwide company cannot centralize research and development in France.

French companies typically accompany their annual reports with figures about their contributions to French exports or the balance of payments. They give not only their foreign sales but also their foreign sales manufactured in France. Although these numbers are probably not accurate, this exercise in nationalism is a thing that few non-French firms would consider. For France it is typical.

Although other countries also practice job protectionism and may also interfere with direct investment on trivial grounds, the debate is different in France because no one in industry appears to be willing to tackle the philosophical sacred cows: mercantilism, protection of domestic jobs, doing research at home, selling goods or know-how abroad even at a loss, or keeping foreign investors from controlling a company.

Vivian Lewis

Le Pen Exposes Divisions in Rival Parties

Continued from page 9

There are many symptoms today of the early 1930s when the end of an economic crisis sparked upsetting increase in extremism — we have no right to allow development of hatred, racism, anti-Semitism."

Mr. Noir was reprimanded for so openly exposing the divisions within both the RPR party and its coalition partners, the Union for a French Democracy (UDF). But not before the damage was done. Mr. Noir's soul-searching statement set off a scurry to take sides on the question, with some seeing the expediency of trying to capture Mr. Le Pen's base of rightist voters and others, like Mr. Noir, arguing that such an approach only legitimizes extreme-right philosophy.

The incident will almost certainly be resolved with statements over the next few months reaffirming the conservative parties' refusal to form any partnership with the National Front. But Mr. Le Pen has already achieved much of his purpose — he has caused open disarray in the ranks of the traditional right and he has made his own ideas the center of debate.

The strain caused by the debate over Mr. Le Pen only adds to the existing problems within the conservative coalition over the choice of presidential candidates.

Mr. Chirac is virtually certain to run. Former Prime Minister Raymond Barre is also

considered a sure candidate. Former President Valéry Giscard d'Estaing has reluctantly pulled out of the race. But the young culture minister, François Léotard, is still a possible contender. If the possible candidates all decide to run, it would seriously fragment the rightist voting base, already splintered to some extent by Mr. Le Pen. Pollsters agree that that would inevitably help the Socialist Party.

The Socialist Party won a majority in the National Assembly in 1981 but lost to Mr. Chirac's coalition last year. It can take some comfort from the divisions in the rightist coalition. Socialist President François Mitterrand has recently surged ahead to take a convincing lead as the most popular presidential candidate. Yet that popularity may be an illusion.

Mr. Mitterrand is viewed as above the fray and a sagacious higher authority who has managed to govern for the past year with a conservative prime minister without compromising his Socialist principles.

"The Socialist experience since 1981 is perhaps the Socialists' greatest chance for success," Mr. Jaffrel said. The French, even rightist voters, are no longer afraid of a left-wing government. They have seen it isn't that different from conservative governments. So the Socialists may benefit from their own experience as well as the divisions within the right to make gains."

It is doubtful, though, that the more than 50 percent of the voters who rate him No. 1 would

actually vote for him for a second seven-year presidential term. Voters have trouble seeing what new program he would offer.

Also damaging Socialist chances is the fact that Mr. Mitterrand may not announce whether he will run until it is too late for other aspiring Socialists, such as the popular former agriculture minister, Michel Rocard, to prepare a campaign.

The Communist Party is the worst-placed of all the parties. Its leader, Georges Marchais, announced a year ago that he would not run for president after the Communists' dismal showing of 9.7 percent in legislative elections in 1986, compared to the 20 percent they received in 1978.

Much of that support may be going to the Socialist Party, which is unlikely to consider any leftist partnership with the Communists, such as the short-lived alliance they formed in 1981.

The Central Committee of the party recently gave the nod to the uncharismatic, earthy, long-time party official André Lajoinie to run, in what many observers saw as a cynical move that will bolster Mr. Marchais's position as secretary-general of the party at the expense of any hope for electoral success.

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FRENCH COMPANY HANDBOOK 1987

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Privatization Leads to Scramble for Share of Expanding TV Market

By Mark Hunter and Lise Bloch-Morhange

ANTIBES — Sitting barefoot on the upper deck of his yacht, Robert Maxwell, the British media magnate and owner of a 12 percent share in the newly privatized French television network TF1, was asked if it were true that he was negotiating with his putative business rival at the 5th network ("La Cinq"), Silvio Berlusconi, for joint investments in a European satellite TV channel and co-productions in Spain.

"I have written to Mr. Berlusconi," said Mr. Maxwell, "that he can't go on fighting so unreasonably against Bouygues and still remain a cooperator with me in Europe." He was referring to Francis Bouygues, chairman of Bouygues SA, one of the world's largest construction companies, and Mr. Maxwell's majority partner in TF1, with 25 percent of the capital.

The practices that Mr. Maxwell considered unreasonable included "suggesting 10 times the going rate" in salaries for such former TF1 stars as the variety show hosts Patrick Sabatier, Stéphane Collaro and Patrick Sébastien.

They and others were hired by Mr. Berlusconi for La Cinq only days after the National Commission for Communication and Liberties chose the group of investors headed by Mr. Bouygues and Mr. Maxwell in a highly public competition to buy TF1 from the state for 3.5 billion francs (about \$583 million) on April 16.

These were only the latest developments in the French audiovisual scene. The situation was summed up by Pierre Lescure, director general of the Canal Plus cable TV network: "Do you realize what an obscene mess is going on here?"

Certainly, the good old days of French television are gone forever. They began with TF1, France's sole, state-owned network until 1964, when the state opened Antenne 2. In 1977 came FR3, also state-owned. Both FR3 and Antenne 2 are still state-owned. The private sector entered the scene only when Canal Plus's encrypted signal was sent to subscribers on Nov. 4, 1984, a date now regarded as the start of a revolution in the French media.

The revolution took a giant step on Feb. 20, 1986, when France Cinq, a network formed by the financier Jérôme Seydoux with Mr. Berlusconi, who runs



Robert Maxwell, left, and Francis Bouygues, part owners of newly privatized TF1.

three networks in Italy through his Fininvest Communications company, came on the air.

France Cinq's charter, negotiated by the then-Socialist government, gave the network the right to broadcast off the city-owned Eiffel Tower. This infuriated Jacques Chirac, the mayor of Paris. The French film community was also horrified that, for the first time on French television, movies on France Cinq would be interrupted by commercials.

After the March 1986 election of a center-right parliamentary majority headed by Mr. Chirac's Rally for the Republic, and amid threats of lawsuits by Mr. Seydoux and Mr. Berlusconi, Prime Minister Chirac annulled France Cinq's concession last Aug. 2. He also announced that of TV6, a music video network modeled on the American MTV, which had been established under the Socialists concurrently with France Cinq.

At that point, the newly created and ostensibly independent National Commission for Communication and Liberties was handed the job of parcelling out the airwaves. On Feb. 27, the commission awarded France Cinq's frequency to a consortium led by the rightist publisher Robert Hirsch, with 25 percent of the capital, and Mr. Berlusconi, also with 25 percent. (Mr. Berlu-

sconi and other officials of La Cinq declined to be interviewed.)

The 6th channel was given — unlike TF1's assets, the airwaves for these networks were granted free — to an investment group dominated by the Compagnie Luxembourgeoise de Télédiffusion et de Lyonnaise des Eaux, France's largest cable TV operator.

Interruption of programs and films by commercials is now standard on TF1, La Cinq and M6. That was the first sign that a stable, state-owned television system had become an open battleground. At stake are the audience shares and advertising revenues on which the state networks, like the private sector, depend for operating funds and profits.

Though partly financed by a yearly tax paid by owners of television sets, Antenne 2 and FR3 also claim 2.2 billion francs in advertising revenue annually. This is nearly 30 percent of the 6.5 billion francs spent on TV advertising in France last year.

Antenne 2's advertising sales provide two-thirds of its budget, according to Jean Drucker, president of the network until he moved to the helm of M6 in March.

Similarly, though Canal Plus depends primarily on a monthly charge of 150 francs to its 1.8

million subscribers, Mr. Lescure acknowledged that 200 million francs of its revenues, covering 8 percent of the company's receipts and its profit of 115 million francs, were derived from advertising last year.

It is already questioned in the television community, and to some extent in the government, whether there is enough advertising money to support six broadcasters, especially in light of a recent government decision to ban the advertising of alcoholic beverages from the airwaves, a cut of 800 million francs from this revenue pool.

"There is room for all six channels if the financing of each is adapted to its nature," Mr. Drucker argued. "Canal Plus should get its resources from its subscribers."

Mr. Lescure replied that "we take only 2 percent of total advertising revenue."

Mr. Drucker continued, "The two public channels should be complementary in terms of programming, like BBC One and Two, and entirely supported by public funds. Then there would be enough advertising to support three commercial networks."

"Six networks can't live in the current system," said Antoine de Clermont-Tonnerre, chief executive officer of the Editions Mon-

diales media corporation, a minority shareholder in TF1. "If some sectors are forbidden to sell advertising, maybe."

Mr. Chirac advanced the idea of such a mixed system in April, suggesting that FR3 stop selling advertising time and be targeted toward a more selective audience, while Antenne 2 reduce its ad sales.

In September, the three private channels will unveil their new programs. TF1 and La Cinq will be direct competitors, aiming for a maximum of audience share. For technical reasons, such as outdated antennae, only one-third of French homes currently receive La Cinq, a figure the network hopes to upgrade to 85 percent by next spring.

M6 also only covers one French home in four. Its ambitions, however, are more restricted. Mr. Drucker hopes to expand his coverage to 24 million homes within the year.

The six channels will show 1,200 new and old movies this year, about 10 times France's annual output of feature films. Not coincidentally, last year French networks invested 205 million francs in film co-production and TV rights, nearly 10 percent of all investment in French cinema.

Aside from FR3, whose programs are regional and cultural, and Canal Plus, which depends on uninterrupted films and sports events and has thus earned a 94 percent subscription renewal rate, according to Mr. Lescure, the other networks have one ingredient in common — re-runs of American television series.

Moreover, national series pro-

duction cannot compete with U.S. reruns, either in quantity or in price to the networks. Once an American show is amortized in its home market, its rights can be sold in France for an average of 150,000 francs per hour.

Even the 600,000 francs per episode of "Dallas" that was paid this year by La Cinq is far below the average 4 million to 6 million francs required to produce an hour of TV fiction in France.

Industry leaders agree that it will be 5 to 10 years before European-produced series can compete with American ones. Two of the key elements, Mr. Lescure said, will be upgrading the low pay scale for TV writing in France and shifting production facilities from film to television.

Another will be the creation of a trans-European market for programs produced on the Continent, an idea Mr. Maxwell said, "whose time has come" and which is already exerting a powerful influence in France.

By February 1988, three communications satellites — TDF-1, Astra and Eutelsat — are projected for launch, permitting direct trans-continental broadcasting to homes equipped with satellite dish receptors and cable relay stations.

It is thus not surprising that in May the French Ministry of Culture and Communications negotiated co-production accords with West Germany's ZDF and ARD publicly owned networks and with the Italian state-owned RAI network.

A similar movement is occurring in the private sector. Canal Plus has announced the investi-

ment of 400 million francs in feature film productions, while Edimondiale has signed co-production contracts with Galaxy TV in Munich, Revoir in Australia and ABC in the United States.

The rush outward from France concerns Mr. Lescure. He argues that neither a trans-continental advertising base nor a programming philosophy adapted to Europe's different cultures yet exists.

Yet Canal Plus is a candidate for a channel on TDF-1. The final choices will be made by June 15. The company is also working on a cable format, "halfway between Home Box Office and an American network," said Mr. Lescure. He said it "could be exported to England, Germany, northern Italy and Spain."

"It's now or maybe never," he added.

This exigency is at the core of the turmoil in French television.

MARK HUNTER and LISE BLOCH-MORHANGE are journalists who write frequently on European media and cultural affairs.



Following the Ordinary and Extraordinary General Meetings of Shareholders on May 26, 1987, the Board of Directors set the schedule for the capital increase, subscription to which is reserved to Compagnie Financière de Suez as well as to Société Générale, Paribas, BNP, UAP, and Crédit Lyonnais. The 2,156,000 shares, issued at F.F. 532 per share and representing F.F. 1,338.5 million in new equity, will be fully paid up on June 16th.

FREE STOCK PURCHASE WARRANTS.

The Board of Directors, at a meeting scheduled for June 22nd, will decide on the distribution to all shareholders of free stock purchase warrants. The detailed terms and conditions will be announced at that time. These warrants will be listed on the stock exchange.

Warrants will be placed in reserve to preserve the rights of potential shareholders (in particular those who may exercise the 1985 C warrants or convert the 1983 French Franc-denominated or 1984 U.S. Dollar-denominated convertible bonds).

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The Annual Shareholders' Meeting approved a dividend payment of F.F. 6.50 per share (plus tax credit), an increase of 12.1% over the dividend paid in 1986. The Meeting also decided that shareholders may opt for a dividend payment in shares at the price of F.F. 474 per share. The dividend coupon will be detached on June 23rd and paid on August 4th.

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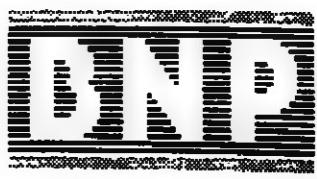
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Does the Gastronomic Mystique Really Match Up to the Reality?

By Patricia Wells

PARIS — Over the past two years, I have journeyed 50,000 kilometers throughout France, about 30,000 miles on high-speed trains and slow, mountainous roads, interviewing hundreds of men and women discussing the elements that are basic to France's tradition of gastronomy.

I have talked with Loire Valley goat farmers and Roquefort cheesemakers, Breton crêpe-makers and France's best chefs, scallop and lobster fishermen, certifiably insane bakers, escargot processors, sea salt takers, walnut oil pressers, winemakers, cheese-agers, pig whole-salers, and two brothers who make a living growing zucchini blossoms.

Along the way I have worked alongside many of them — curing a 300-pound (136-kilo) pig, conserving foie gras, digging in icy soil to unearth black truffles, learning to distinguish edible wild mushrooms from the deadly ones. And in towns all along France's two coasts, I have gone up in the middle of the night to greet fishermen as the sun came up, arriving with their catch of anchovies, sardines, fresh white tuna.

Wherever I went, I searched out the most authentic and the best, and this invariably brought me to the "small guys," the artisans, farmers and producers who work independently. As a consequence, I spent a lot of time in villages too small to rate their own postal code and I talked with Frenchmen far removed from the excitement of Paris and the glamour of the country's famous kitchens.

Throughout my journeys, I searched for answers to two basic questions.

The first was how, in this endlessly homogenized world, has France managed to retain its undisputed role as the maker, the shaper, the ruler of Western cuisine? Others challenge it — Italy notably has a joyous gastronomic tradition and there are remarkable tables in that sensuous country. And elements of American cooking are emerging in many noteworthy ways. But France's cuisine remains the stan-

dard by which all others are measured, to which all others are compared.

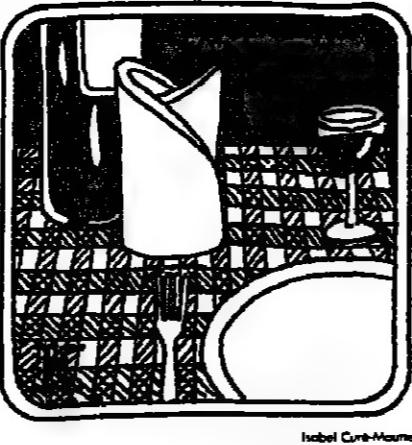
The second is, can all this continue? Already, in the decade or so I have been traveling and living in France, I have seen anonymous chain supermarkets — with their heads of lettuce slowed on the way to Paris so they could be individually wrapped and sanitized — squeeze out small vendors whose produce was fresher and far more aesthetic. I have watched the trend to cheeses whose taste has nothing over Velveeta, and I have mourned as neighborhood traiteurs and charcuteries disappeared in the favor of trendy, fast-food eateries.

As I carefully searched out, then documented, the gastronomy of contemporary France, I asked dozens of questions whose answers would reflect on those two big ones. All the while, I focused on the present rather than the past, on reality rather than the myths that have outlived the past.

In many ways, I began this project because, as a journalist trained to seek out the facts, I found myself constantly frustrated by the fact that so much of the "common knowledge" about French gastronomy was sheer invention. I discovered that the "primary source" for some of the authors I had respected turned out to be the Michelin Green guides, and their descriptions of methods and practices were poetry or fantasy, or just plain misinformation. In my staunchly journalistic way I was determined to avoid the appeal of mythmaking and to try to inform readers about how things are today rather than romanticizing the past.

Along with concentrating on the present, I operated on the premise that any cuisine has its source in the tastes and traditions of a nation, not simply in the kitchens of its elegant restaurants, and that its fields and vineyards are more important to preserving those tastes and traditions than its grandest chef. I don't know that I have arrived at final answers to my two questions, but I do have clues and leads, vivid impressions and, of course, opinions.

I quickly came to the realization that no matter how exhausted I was from getting up



Isabel Cane-Murphy

early to greet a fisherman with his catch, or interview a baker as his first batch of bread went into the oven, the person I was interviewing probably worked much longer hours and much harder physically than I ever could. Moreover, the next day, the day after that, and the next year and the next decade, he would go back to that job with thoroughly unrestrained dedication.

And if there is one theme I heard time and again, it was the three simple phrases I heard repeated from Alsace to Brittany, Gascony to the Alps of Provence: "We do not count our hours. We love our work. We think that it has value." In part, that was because I was talking to "the little guys" — the men and women who themselves raise the mesclun, who pick the grapes, cure the olives, dry the prunes, knead the bread, smoke the sausages, or age the cheeses that have come to mean, in our gastronomized minds, France.

For most of the people I talked with, their involvement with food is not a job. It is a passion, an emotion and involvement that lie somewhere between deep love and religious zeal. There is the fish chef who told me he

dreamed about fish every night, and who spends five hours each day in the market in Cannes, selecting each fish he serves in his restaurant. There's the Beaufort cheesemaker who rejects artificial insemination of his cows because, he insists, only contented cows give great milk. (Besides, he was so proud of his bill.)

These people aren't doing it for money, because they really don't earn a great deal, or for prestige, because farm work is short on that. They are motivated by unrestrained zeal for what they do and by centuries of tradition.

I don't know that this sort of fascination, respect and knowledge will last forever. Industrialized food continues to make inroads in France, working to confuse the palate or even destroy it. And the market for processed, quick-and-ready food expands as — I regret to say it — French society becomes more Americanized.

There were times, of course, when searching out the little guys was not enough. Good intentions, hard work and low-grade flour will still make bad bread. Cheese made from milk that has been pumped, chilled, churned and reheated just won't turn out as well as cheese made from milk still warm from the cow. And even the cheese that is made with this wonderfully fresh milk won't taste wonderful unless it has been given time to age.

Despite such negative factors, regional cuisine is alive and well and even enjoying a resurgence. Throughout the country authentic regional restaurants are thriving while their flashier homogenized competitors struggle for a clientele.

In the Savoy you can still find restaurants serving an honest *friture* of tiny fish fresh from the alpine lakes. Along the French-Spanish border, near the village of Céret, there is a restaurant that still serves a traditional *carré d'agneau*, a wonderfully hearty assortment of snails, pork sausages, lamb and blood sausage, all grilled over an open fire fed with vine cuttings. In Normandy's markets, that day's catch of shrimp still squiggles in the fishmonger's bins,

and great brasseries nearby still prepare them à la minute.

You can still get daubed-out in Provence lobstered-out in Brittany, eat your fill of goose hearts in Gascony. There is no paucity of great regional fare, just the time and the temperature to seek these places out.

Another encouraging aspect is that gastronomic history is not being forgotten. Industrialized food continues to make inroads in France, working to confuse the palate or even destroy it. And the market for processed, quick-and-ready food expands as — I regret to say it — French society becomes more Americanized.

In my travels I have encountered a variety of deceptions, situations that are not quite what they seem. It may be something as small as the fact that the majority of the truffles preserved in the Périgord actually come from the other side of France, in northern Provence. These "cans of worms" — the label on the file I put them into as I worked on sorting them out — add up to a basic, disappointing discovery: Many of the products that have made French cuisine famous no longer come from France.

That fôte gras you have about in Michelin-starred restaurants? There's a 75 percent chance it came from Hungary, or Poland or Israel. Those luscious escargots? Probably from Hungary. The frog's legs? From Yugoslavia. The brochet in your quenelles? Canada. The mustard grain in your Dijon mustard? From Kansas.

Authenticity of origin is a hard question to deal with. Were the products better when they were French? No doubt they were. Food is invariably better the closer it is prepared to its source. But how much better? My decade here isn't enough for me to answer that.

Scallops from Ireland, mussels from the Netherlands and olives from Spain may not destroy French cuisine or end its traditions. But a good percentage of the authentic, dedicated food people I've met over the past two years will be around to see the new century turn and I'm convinced that the passions of men like Paris's baker Lionel Poilâne and Lyon's chocolate-maker Maurice Bernachon will not yet get us through just a little bit longer, but inspire successors who are determined to let their teachers down.

But the effects of the contemporary economic order are shattering some aspects of regional gastronomy.

The economic cooperation brought about through the European Community has indisputably raised living standards throughout Western Europe. But the EC's agricultural policy is leading to a steady, irreversible industrialization of farm practices.

Inevitably, this will mean that the price difference between a farm-raised chicken from Bresse and a factory-produced one will drive the market away from the former. And while the traditional *poulet de Bresse* will become as rare as caviar and just as unaffordable is truly lamentable.

Yet, basically I came away from my research with my optimism intact. In another generation, I doubt there will still be farmers in the mountains of Cantal, milking their cows by hand, living in stone shacks that lack electricity and running water (not a telephone). But the tradition of making good cheese will still be alive. Old Tante Paulette and Tante Yvonne won't be feeding us their *poulet au vinaigre* or *daube provençale*, but someone will come along to fill their shoes.

Certainly, frozen food sections will grow in supermarkets, that drive-in baguette shop I saw in Avignon will no doubt breed offspring, and there's no question that McDonald's and Love Burger are here to stay.

But a good percentage of the authentic, dedicated food people I've met over the past two years will be around to see the new century turn and I'm convinced that the passions of men like Paris's baker Lionel Poilâne and Lyon's chocolate-maker Maurice Bernachon will not yet get us through just a little bit longer, but inspire successors who are determined to let their teachers down.

PATRICIA WELLS is the International Herald Tribune's restaurant critic and author of the just published "Food Lover's Guide to France" (Workman).

Defense Is Moving Closer to Europe

Continued from page 9

This is why we have opposed all offers of a demilitarized zone in central Europe and the temptation of a reunified, neutral Germany.

They see Mr. Gorbachev's "zero-zero" option as part of a larger Soviet strategy. The Soviets are going for an agreement on medium-range missiles as a means of drawing off attention from the extremely rapid modernization of their strategic nuclear forces," the officials said.

Another idea involves the reinvigoration of the West European union as a means of sidestepping the thorny legal problems created by France's special status within NATO. Relations between individual European nations and NATO will then be modified on a bilateral basis.

"We are a long way from a coordinated European defense," French strategist General Jean-Louis Lacaze said, adding that the new Soviet disarmament proposals, "by raising the specter of an American disengagement from Europe, are pushing us faster in this direction than before."

A survey published in April by the French newsweekly *L'Express* showed that the French public and the strategists are thinking along similar lines.

Eighty-eight percent of those polled favored the creation of a joint European defense system, while 34 percent wanted to bring West Germany into a European nuclear deterrent force.

"One thing is certain," wrote the editorialist, Jean-Paul Piagasse, France's "splendid nuclear isolation is over."

There are many signs of a gradual, *de facto* reintegration of France into NATO, not the least of which is the extent to which the French have been consulted in the attempt to arrive at a joint NATO response to the "double zero" option.

After meeting with the NATO defense ministers of the nuclear planning group in Norway, the chairman of the joint chiefs, Admiral William J. Crow Jr., came to France on May 16 to meet with French military leaders.

The French have consistently refused to allow their nuclear deterrent to be included in the U.S.-Soviet negotiations and have long held that disarmament talks should begin by a 50 percent reduction in the strategic arsenals of the two superpowers before the French would even consider joining negotiations.

Still, Mr. Mitterrand welcomed the offer of Mikhail S. Gorbachev, the Soviet leader, to eliminate medium-range and short-range missiles from Europe as long as the process were "balanced and controlled." But he was careful to make the French position contingent upon Bonn.

The French have long been wary of any Euromissile deal. Their major fear has been the decoupling of Europe from the United States.

"The smaller the U.S. nuclear presence in Europe, the weaker the U.S. link," top French officials said. "Conventional weapons simply do not couple the U.S. to Europe. Nuclear weapons do."

These officials recently were able to evaluate the Soviet proposals firsthand during Mr. Carter's visit to Moscow in May.

"The Soviets want to drive a wedge into the Atlantic alliance and break off West Germany as something special, something separate," they said. "Our position has always been to stop the Soviets from dividing Europe."

KENNETH R. TIMMERMAN, associate editor for the Washington-based *Journal of Defense and Diplomacy*, is the author of "Fanning the Flame," a study about arms sales to Iraq and Iran.

Run silent, run deep.

SOCIÉTÉ GÉNÉRALE

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Mutual Funds

**Figures as of close of trading Friday
May 29**

NEW YORK (AP)— The following quotations supplied by the National Association of Securities Dealers Inc. are the prices at which these securities could have been sold [Net Asset Value] or bought [Value plus sales charges] Friday.

	Bid	Avg.
Bronwyn	19.75	19.75
Bruce n	10.93	10.93
Bull & Bear	Ge	Ge
CadGr	12.25	12.25
Eating	11.03	11.03
Gatco	16.45	16.45
HvYld	13.14	13.14
TaFris	16.95	16.95
USGovt	14.91	14.91
CalMun	8.63	8.63
CalTrst	11.09	11.09
Calvert Group		
Ariel	17.38	17.38
Equity	23.65	23.65

American Exchange Options

Figures as of close of trading Friday. **May**

LECTURES

New International Bond Issues

Compiled by Laurence Desvillettes

Issuer	Amount (millions)	Mat.	Coup. %	Price and week	Terms
FLOATING RATE NOTES					
TOPS Series 3	\$110	1992	0.35	100.10	— Over 6-month Libor. Noncallable. Fees 0.15%. Denominations \$20,000.
BUS Australia Bank	Aus\$200	1992	0.45	100.15	— Below the 2-month Bank Bill rate. First coupon will be 0.40 below the 6-month BBR. Redemptions at par on every coupon payment date. Fees 0.15%. Denominations Aus\$1 million.
FIXED-COUPON					
All Nippon Airways	\$100	1997	9.5%	101.14	97.25 Noncallable. Fees 2%.
Coastal	\$50	1992	11.1%	100%	98.25 Noncallable. Fees 1.5%.
Ford Motor Credit	\$250	1990	8.8%	101	99.75 Noncallable. Fees 1.5%.
Intl Finance Corp.	\$50	1997	9.5%	100	— Noncallable private placement. Denominations \$100,000.
Bank of Greece	DM 150	1992	5%	100	99.20 Noncallable. Fees 2%.
Greek of Greece	DM 150	1995	6%	100	99.25 Noncallable. Fees 2%.
Rhône-Poulenc Commercial Finance	Fr. 50,000	1992	10%	100	97.88 Noncallable. Fees 1.5%.
Paribank Finance	DK 300	1993	10%	100.14	98.38 Noncallable. Fees 1.5%.
Fuji-Bank (Luxembourg)	ECU 40	1992	7%	101%	99.80 Noncallable. Fees 1.5%.
Région Rhône-Alpes	ECU 50	1994	7%	100%	99.80 Noncallable. Fees 1.5%.
Telestar Canada	CA\$75	1994	10%	101.14	99.75 Noncallable. Fees 1.5%.
Hannoversche Landesbank	Aus\$75	1992	zero	5.4%	52.88 Yield 13.38%. Noncallable. Proceeds Aus\$40.5 million. Fees 1.5%. Denominations Aus\$10,000.
EQUITY-LINKED					
Asics	\$50	1992	open	100	99.00 Coupon indicated at 2%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 3.
Coeur d'Alene Mines	\$50	2002	6	100	98.50 Callable at 102 in 1990. Convertible of \$26.55 per share. Fees 2%.
Daiichi	\$100	1992	open	100	99.00 Coupon indicated at 2%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 1.
Daiwa House Industry	\$300	1992	open	100	106.50 Coupon indicated at 1982. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 2.
Eagle Industry	\$17	1992	open	100	96.00 Coupon indicated at 1982. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 2.
Ericsson	\$60	2002	open	100	99.00 Coupon indicated at 6% to 7%. Convertible at an indicated 18 to 22% premium. Fees 2.5%. Terms to be set June 1.
Fukuoka Sogo Bank	\$50	2002	open	100	102.00 Seniorior coupon indicated at 1986. Convertible at an expected 25% premium. Fees 2.5%. Terms to be set June 4.
Hyogo Sogo Bank	\$100	2002	open	100	102.00 Seniorior coupon indicated at 1986. Convertible at an expected 25% premium. Fees 2.5%. Terms to be set June 4.
Kyowa Hakko Kogyo	\$150	1992	1%	100	110.00 Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 2,174 yen per share and at 142.75 yen per dollar. Fees 2.5%.
Mitsubishi Petrochemical	\$150	1992	open	100	105.75 Coupon indicated at 1982. Noncallable. Each \$10,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 4.
Mitsubishi Plastics Industries	\$50	1992	open	100	107.00 Coupon indicated at 1982. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 1.
Ogden	\$85	2002	6	100	— Convertible at 57% per share, a 16.42% premium. Fees 2.5%.
Seika	\$32	1992	2	100	100.00 Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 145.05 yen per dollar. Fees 2.5%.
Sekisui Plastics	\$40	1992	open	100	100.00 Coupon indicated at 1982. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 4.
Shinetsu Chemical	\$100	1992	open	100	105.00 Coupon indicated at 1982. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 4.
Shiroki	\$35	1992	open	100	100.00 Coupon indicated at 25%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 4.
Sumitomo	\$400	1992	114	100	99.00 Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 230 yen per share and at 144.85 yen per dollar. Fees 2.5%. Increased from \$300 million.
Takara Standard	\$50	1992	open	100	98.00 Coupon indicated at 1982. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 4.
Tobu Railway	\$700	1992	open	100	104.00 Coupon indicated at 1982. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 4.
Tosif	\$50	1992	open	100	98.50 Coupon indicated at 1982. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 2.
Tokyo Ropeway Manufacturing	\$50	1992	open	100	97.75 Coupon indicated at 25%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 2.
Tappan Printing	\$300	1992	open	100	100.75 Coupon indicated at 1982. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 3.
Yakult Honsha	\$80	1992	open	100	102.50 Coupon indicated at 1982. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares on an expected 25% premium. Fees 2.5%. Terms to be set June 4.
WARRANTS					
Berliner Handels-und Frankfurter Bank	0.125	1990	—	\$42	— Warrants giving the right to buy \$500 at a fixed exchange rate of 1.02 marks per dollar.

EUROBONDS: The U.S. Currency's Rebound Spreads Cheer in Markets

(Continued from first finance page)
Credit Suisse First Boston, "is a period of stability for the dollar which removes the immediate risk of sharp exchange rate losses."

A big uncertainty is the Japanese do. The Ministry of Finance's request for daily foreign exchange reports has halted currency speculation. But as Western Europe becomes increasingly hostile to the rising flow of imports from Spain there could be a realignment in the currency market pushing the mark up against the dollar and the yen. It has already risen against the yen, currently at 78.99 yen, up from 77.52 at the end of April.

While last week's events fueled a rally in the U.S. domestic bond market, cutting yields on long-term bonds to some 40 basis points below their recent peaks, the buying was restricted to the huge, liquid domestic market. That set a better mood in the dollar sector of the Eurobond market, but there was not much real buying.

Ford offered \$250 million of three-year notes—a short maturity that investors favor. But the size of the issue was large relative to the light demand and the pricing, while adequate at some 60 basis points over the yield on comparably dated U.S. Treasury paper, was not compelling. The paper ended the week at a discount of 1/4 points, just outside the 1/4 percent commission paid to underwriters.

This was a sterling performance compared with 10-year bonds offered by All Nippon Airways. The paper was priced at some 78 basis points over Treasury yields, not enough to compensate for the long maturity and it ended the week down 3/4 points—well outside the 2 percent underwriting fees.

Coastal Corp., a Texas-based energy company, offered \$50 million of five-year paper priced at 300 basis points over Treasury yields—a reflection of its "junk bond" status. The company's debt is rated double-B, a notch below the cate-

gory that is considered the lowest investment grade.

The low rating and the small size tells you that this is a public issued private placement, giving the company the publicity of doing a deal," said one London banker.

However, in light of the tremendous appetite from retail investors for high coupon bonds—as shown by the continuing demand for Australian dollar paper—bankers questioned whether the Coastal issue signaled an opening of the dollar junk-bond market here.

In the nondollar markets, \$300 million DM of bonds issued by the Bank of Greece found favor with the shorter five-year paper better received than the eight-year portion.

Bankers reported very little demand for paper denominated in European currency units or Italian lire. The pound remained out of favor as investors awaited the outcome of the coming election and the possible post-election entry of the pound into the European Monetary System.

The real action last week was in the equity linked sector, which saw an avalanche of issues from Japanese companies.

Suntomco, which a week earlier offered \$300 million of bonds carrying an indicated coupon of 15 percent, increased the amount to \$400 million as the when-issued price soared to more than 104 and then cut the coupon to a record low of 14 percent.

There were scattered rumblings about greedy pricing as the paper settled down to a price of 99, but bankers said that there were no cancellations of orders.

The star performers of the week were Kyowa Hakko, a high-tech pharmaceutical company whose \$150 million of 13 percent bonds issued at par climbed to 110, and Toto Railway, whose \$100 million of bonds expected to bear a coupon of 16 percent, traded at 105. Toto's attraction is its huge land

By Carl Gewirtz International Herald Tribune

PARIS—Eastern Europe took center stage in the international credit market last week with Czechoslovakia setting a new low on borrowing charges for an East-bloc country while Hungary accepted an increase in its loan costs.

Czechoslovakia used its status as an infrequent borrower and the least indebted country in the area to achieve a lower cost of finance than even the Soviet Union, which bankers regard as the most creditworthy of the East-bloc states. Bankers grudgingly acknowledged that the terms were fair, albeit aggressive. But they said the reduction in charges was partly a show of force by the lead manager, Creditanstalt of Austria, which opened a representative office in Prague last week.

Czechoslovakia will pay 4% point, or 12/2 basis points, over the London interbank offered rate for its \$200 million, 10-year loan. The lowest charge for the Soviet Union to date has been 4% point over Libor for eight years. Front-end fees are identical at 72 basis points.

Data published by the Organization for Economic Cooperation and Development estimate Czechoslovakia's gross debt in convertible currencies last year at \$4.5 billion and its net debt (after subtracting deposits with Western banks) at \$3.4 billion.

Its debt service ratio of 20 (measuring interest and amortization payments in relation to export earnings) is the lowest.

Industrial obsolescence, slow economic growth and contracting market shares for its exports are major problems that are expected to lead to a more active international borrowing program, but even with that anticipated pick-up

the debt burden is expected to remain modest.

Hungary, by contrast, is the area's third-largest debtor—behind Poland and the Soviet Union—but the key debt service ratio, at 60, is second only to the 67 scored by Poland.

A recent OECD report observed that "unlike other East European countries, Hungary has made essentially no progress in reducing its debt burden in 1981-86. By the end of 1986, debt and debt-related indicators were already near or at their

peaks."

Hungary, by contrast, is the area's third-largest debtor—behind Poland and the Soviet Union—but the key debt service ratio, at 60, is second only to the 67 scored by Poland.

The state company will also have what bankers call a "letter of comfort" from the government assuring that Libor will maintain the industry. A year ago, CNP went into the equivalent of voluntary liquidation and is only now re-emerging to tap the market.

The company will be able to draw the line in francs, dollars or other foreign currencies. In addition, it may use the line to back the sale of commercial paper, either in francs in the domestic market or in dollars internationally.

By creating one credit line to manage its treasury needs, the company gains flexibility in moving into whatever market is cheapest and thereby lowering its overall borrowing costs. Credit Lyonnais and Chase Manhattan are arranging the facility.

This week should also see the Portuguese petrochemical company CNP come to the market for

another easing of foreign exchange controls in France, lifting the requirement that foreign funds be borrowed for at least one year, is expected to open the international market to a wider array of companies than the state entities that were usually able to get an exemption

for a conventional, non-tax-spared deal (about \$21 million of NaCo's operation is targeted as a tax-spared loan with Belgian banks). Interest on the conventional portion is 4% point over Libor for the first six years and then 3% point over Libor.

The last Indian transaction carried a 4-point margin over Libor for only three years.

EdF, Portugal's electricity utility, last week completed its loan for the equivalent of \$340 million, but bankers report that it was not an easy transaction. A number of bankers said they had received calls from the borrower urging that they join the loan. It paid 15 basis points over Libor for eight years.

Monedison's request for \$200 million was oversubscribed and the Italian chemical giant is expected to increase the size to \$250 million. It is paying an annual facility fee of 6 1/4 basis points and drawing charges are set at Libor with utilization rates starting at 5 basis points and rising to a maximum of 12 1/4%.

India's National Aluminum Co. is also expected to raise its \$150 million loan by \$50 million. Interest on the 10-year loan is the lowest

NOTICE OF REDEMPTION



European Investment Bank

US\$ 100,000,000

9 1/8% 1978-1998 Bonds

NOTICE IS HEREBY GIVEN that, in partial satisfaction of the Terms and Conditions of the Bonds, the Issuer has purchased US\$ 7,989,000 principal amount of Bonds to be redeemed on July 1, 1987. In order to complete the annual sinking fund installment of July 1, 1987, the Fiscal Agent has selected US\$ 2,001,000 principal amount of Bonds, bearing the following Serial Numbers, for redemption and payment on July 1, 1987 (the "Redemption Date"):

From	To	From	To	From	To	From	To

Seoul to Permit Sales of Foreign Cars

United Press International

SEOUL — As part of a program to ease trade tensions, South Korea has agreed to permit sales of imported cars on its domestic market for the first time since the 1960s, according to the Ministry of Trade and Industry.

The ministry announced Saturday a trade liberalization program to ease import restrictions on 170 items beginning July 1. The items include foreign cars with engines of 1,000cc or smaller, and cars with engines of 2,000cc or larger.

South Korea has allowed the sale of foreign-made buses and trucks since 1984, but general sales of foreign cars have been severely limited since the early 1960s, when the South Koreans began making cars.

A ministry official, Roh Moon Ok, said all the items would be subject to tariffs, but he did not say how large the tariffs would be.

Other products on the liberaliza-

tion list included engine parts, canned meats, electronic items, some steel products and textiles.

Seoul had been asked by Washington to liberalize trade in 46 of the 170 items in an effort to lessen friction between the two nations.

South Korea is the sixth largest U.S. trading partner. About 40 percent of its exports go to the United States.

The ministry said nine of the items mentioned by the United States were being liberalized ahead of schedule.

In another move, however, the ministry said the previously announced liberalization of three antracite coal products had been reversed to protect the South Korean domestic coal industry.

South Korea's trade surplus with the United States reached \$7.4 billion last year. The United States

has been pressuring South Korea to open its markets to U.S. goods.

Some U.S. officials have said South Korea's trade surplus with the United States could grow to as much as \$10 billion this year. But South Korean officials say they are trying to keep the surplus at the same level as in 1986.

As the U.S. trade deficit continues to climb, Congress has continued protectionist measures against Japan, South Korea and other U.S. trading partners.

In response, Seoul has announced such measures as a plan to buy \$2.62 billion worth of U.S. products, including capital goods, raw materials, farm products and a supercomputer.

Less than two months before that announcement was made in late April, a South Korean buying mission to the United States went home with \$2 billion worth of products.

Den Norske Bank Calls Halt To Spree of Lending at 16%

Reuters

OSLO — Norway's biggest bank, Den norske Creditbank, has announced that it will stop lending at present rates, because it has far exceeded its loan estimate for this year.

The move is likely to push Norwegian interest rates above 16 percent, already among the highest in the industrialized world.

"This will apply to all new ordinary loans from Monday," the bank's deputy managing director, Axel Dammann, said Friday. "But we will lend redeemed loans and we can lend at higher rates, or through foreign exchange."

Mr. Dammann said the move was necessary because the bank was obliged to deposit large sums with Norway's central bank as reserves to cover high lending.

"That is a heavy burden for us," he said. "It's common banking sense: if you are lending more than you have on deposit, you have to do something."

He said the bank had lent one-and-a-half to two times more than the 10 billion kroner (\$1.5 billion) it had estimated for loans in 1987.

Mr. Dammann said he did not know how long the measures would last. "It's a question of market conditions," he said. "For now we just need budgetary discipline."

BRAZIL: Nostalgia for an Inflation Rate of 220%

(Continued from first finance page)

shouldn't ordinary citizens do exactly the same thing?"

As a result, sound financial management has suddenly become vital to the survival of many companies. "If you don't manage your cash flow, no matter how good a company you are, you'll go bust," the business consultant said. "Your financial director is now more important than your production manager."

Thus, what is known in Brazil as the "financial ring-around-the-rosy" has returned. With 30 days now seen as a long-term commitment, both individuals and companies must be agile in moving their liquid cash between different instruments and investments. Banks, on the other hand, must advertise and compete intensely to attract these resources.

In recent weeks, because the government's own huge borrowing has pushed up interest rates, the most

profitable investments have been in two-year and five-year Treasury bonds with rates readjusted on a monthly basis. Other options include "overnight" deposits, three-, seven- and 10-day deposits on the so-called open market, mutual funds, 30-day fixed-interest instruments and ordinary savings accounts that pay 6 percent annually above inflation.

With so many companies in trouble, investment in stocks is not attractive, and gold is viewed as a good hedge against inflation.

What is clear is that no one is making new investments in plant and equipment. "The only game in town is speculation," said an investment consultant. "It's a vicious game that is destroying business. Even if companies have cash in hand, they hold off paying their debt so they can play the money market an extra day or two, hoping to turn a huge profit."

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

	Sales in 100s	High	Low	Close	Net Chg	Sales in 100s	High	Low	Close	Net Chg	Sales in 100s	High	Low	Close	Net Chg	Sales in 100s	High	Low	Close	Net Chg
(Continued)																				
GlobeCo	215	250	200	240	+10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo S	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo T	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo U	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo V	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo W	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo X	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo Y	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo Z	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo AA	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo BB	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo CC	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo DD	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo EE	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo FF	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo GG	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo HH	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo II	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo JJ	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo KK	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo LL	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo MM	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo NN	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo OO	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo PP	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo QQ	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo RR	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10
GlobeCo SS	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10	100	120	100	110	-10

SPORTS

Celtics Get Past Pistons for Eastern Crown

SPORTS BRIEFS

Senna Easy Winner of Monaco Grand Prix

MONTE CARLO (AP) — Brazilian Ayrton Senna easily won Sunday's Monaco Grand Prix as Frenchman Alain Prost failed in a bid for a record 28th Formula One victory. Prost dropped out with only two laps left after running third for most of the race.

Senna capitalized on the engine problems of Briton Nigel Mansell, who started from the pole position and led for 50 laps before suffering a broken turbo.

Another Brazilian, Nelson Piquet, finished second, 33.212 seconds behind Senna, with Michele Alboreto of Italy third.

Prost, who was seeking to better the record of 27 victories he shares with Jackie Stewart of Britain, dropped out with engine trouble on the 76th lap. He never challenged for the lead and was more than 50 seconds behind Senna when he pulled off the course.

Hoch Leader by 4 Strokes in Memorial Golf

DUBLIN, Ohio (AP) — Scott Hoch had a four-shot lead Sunday after the completion of the rain-delayed third round of the Memorial golf tournament. Hoch's 67 gave him a 54-hole total of 198, a tournament-record 18 under par. Hoch, who set the 36-hole mark at 131 in Friday's second round, broke the 54-hole record of 203 set last year by Hal Sutton.

Third-round play at Muirfield Village Golf Club had been suspended Saturday by thunderstorms. Only 18 players had completed play when the rain came, and the other 59 marked their positions and returned early Sunday to complete the third round. The final 18 was scheduled for later Sunday.

Don Pooley had a string of five consecutive birdies en route to a 65 that moved him into second place at 202 early Sunday. Curt Byrum, who had equaled the tournament record with a first-round 64, was the only other player within six strokes of Hoch; Byrum was at 204 after a 69.

Quotable

• Phil Garner of the Houston Astros, on the barrage of major-league home runs in 1987: "With the decrease in ozone layers, we've lost some of the ionized particles, so there's nothing to hold those balls back." (LAT)

• Former Brewer outfielder Gorman Thomas, on fans in Milwaukee: "They know when to cheer and they know when to boo. And they know when to drink beer — all the time." (AP)

• R.J. Reynolds of the Pittsburgh Pirates, on the low attendance at Three Rivers Stadium: "Sometimes you walk out onto the field and you wonder if they've opened the gates." (LAT)

New York Times Service
BOSTON — Boston Garden continues to work its magic for the weary Celtics. With a history of

NBA PLAYOFFS

success here in the seventh games of the playoffs, the Celtics forgot about their aches and pains Saturday and beat the Detroit Pistons, 117-114, to win the National Basketball Association's Eastern Conference championship.

The defending champion Celtics will face the Los Angeles Lakers in the league championship series, which begins Tuesday night in Inglewood, California.

Saturday's result brought the Celtics' seventh-game playoff record to 16-3 — all but three of the victories coming at Boston Garden, where they have a 9-3 record since losing to the Los Angeles Lakers in the sixth game of the 1985 final.

Boston is now one series away from becoming the first team to win successive league championships since the Celtics of 1969. The Lakers won both games against Boston in the 1986-87 regular season.

Robert Parish, who drew a \$7,500 fine and one-game suspension in Game 6 for punching Bill Laimbeer, was back at center for the Celtics. That allowed Kevin McHale, who had started at center in Parish's place, to go back to power forward against Rick Mahorn. The other matchups had Dennis Johnson on Detroit's Adrian Dantley (who had scored 105 points in the previous four games) and Danny Ainge on Isiah Thomas.

That left Larry Bird on Joe Dumars, and it created the latest in a series of matchup problems for the Celtics. Dumars, 6-foot-3 (1.90 meters), was too quick for Bird, who is 6-foot-9 (2.05 meters). Dumars had

9 points in the first quarter and 21

9 points in the second quarter and 21

9 points in the third quarter and 21

9 points in the fourth quarter. The rally began with an 18-footer by Thomas, and when

it ended with a Dantley lay-up the

Pistons had missed only 3 of 18

shots to outscore Boston, 28-14.

Detroit, which shot 59 percent for the half, held only a 56-55 advantage at intermission. The Celtics were led by Bird, who scored 9 points in the first quarter and 19 in the half.

The Detroit offense stalled at the start of the second quarter, and Bird hit a seven-foot turnaround jumper with four Pistons hanging all over him to cut the deficit margin to three points. Although the Pistons led by seven with 8:23 left in the half, Bird and McHale, who scored 10 points in the second quarter, got Boston back into the game.

After trailing by as many as seven points, the Pistons rallied again to take an 80-79 lead after three periods. With eight seconds to go in the quarter, Dantley collided head-on with teammate Vinnie Johnson while diving for a loose ball and suffered a concussion. Dantley — who had 18 points, 10 in third period — was removed on a stretcher to Massachusetts General Hospital. Johnson went to the bench with an ice pack on his head.

Before Dantley's injury there was another anxious moment. Parish, who had been unable to finish the three games of the series, each time rejoining his sprained left ankle, began to limp again. With 2:14 left in the third period and the Celtics ahead 79-74, he was replaced by Bill Walton — who had missed the entire series with a broken bone in his foot. But Parish returned for the final period with a strapped ankle.

Even without Dantley and Johnson, the Pistons clawed their way into the game's final minutes — only to have the ball bounce Boston's way five times on one possession with the score tied at 99. The ball finally was tapped to Ainge, who buried a 3-point shot, and the Celtics were never tied again.

Cornered by Vinnie Johnson (15) and Adrian Dantley in Saturday's second period, Larry Bird passed deftly out of trouble.

WORLD STOCKS IN REVIEW / Via Agence France-Presse

Amsterdam

Trading was sluggish on the Amsterdam stock exchange last week, as investors were reluctant to take a stand.

Turnover, in four sessions during a week shortened by a holiday, came to 3,366 billion guilders, against 4,951 billion, while the ANP-CBS general index finished at 287, compared with 286.8 on May 22. The under tone remained firm.

The index on Monday fell 0.2 points from Friday's close, although internationals held their ground mainly because of slight gains posted by the dollar. Tuesday was another slow day, with the market overcoming early losses in response to a strong opening on Wall Street.

Despite gains on Wall Street and the continued recovery of the dollar, the market lost ground on Wednesday, while Friday's trading — after Thursday's holiday — featured no pronounced movement.

Frankfurt

A stronger dollar boosted prices on the Frankfurt stock exchange by around 2 percent last week. Led by banks, automobile companies and capital goods issues, the Commerzbank index advanced 29.1 points to 1,759.6.

Volume of transactions in four days of trading came to 14,677 billion Deutsche marks, against 12,569 billion at the end of the previous week. The market was closed Thursday.

In the automobile section, BMW gained 36 DM to reach 608, Daimler advanced 37.30 to 1,009.80, and Volkswagen 15 DM to end the week at 375.

Commerzbank was the exception among banks, declining 1.5 DM.

Hong Kong

A favorable government report on the Hong Kong economy boosted sentiment in the market last week, propelling the Hang Seng index to two successive record highs before profit-taking set in.

The market barometer closed at record highs of 2,942.92 points Wednesday and 2,950.81 Thursday before falling back to 2,919.70 Friday, for a weekly gain of 22.08 points. The broader-based Hong Kong index ended the week 13.46 points up at 1,883.09.

Average daily turnover rose to 1,02 billion Hong Kong dollars from 924.6 million dollars the previous week.

London

Sentiment remained nervous last week on the London exchange with many investors preferring the sidelines until results of the British general election on June 11 are known.

Shares made a dull start after holidays Monday in both Britain and the United States and were unsettled by opinion polls indicating a narrowing of the Conservatives' lead over opposition parties.

But the recovery was not evident in the banking and finance section. Oerlikon-Bihlfil nominal shares lost 10 francs to finish at 270 while Zurich nominals fell 309 to 3,241.

In the chemical section, Ciba-Geigy shares advanced 115 francs to reach 3,165 while among banks UBS rose 160 to 4,610 and Credit Suisse rose 70 francs to finish at 3,930.

Milan

The Comit Index fell again last week in slack trading, sliding below 700 to close at 694.92 points, down 9.82 for the week.

After an ebullient 1986, Milan stock prices have declined a total of 4.30 percent since the start of the year. A key factor, analysts say, has been uncertainty about political stability.

Last week's fall coincided with two items of good news. Fiat announced a 64 percent rise in consolidated profits, and an internal squabble between the president of Montedison, Mario Schimberni, and the group's chief shareholder, Ferruzzi, was reported to have been solved.

All the leading blue chips lost ground. Montedison was down 2.18 percent and its subsidiary METRA fell 3.05 percent, while Olivetti lost 2.8 percent and Fiat, despite its spectacular results, was down 1.81 percent.

Paris

The Paris Bourse, fueled by a stronger dollar, staged a pronounced recovery last week with the CAC index gaining 3 percent.

The index, in four days of trading, rose from 421.4 on May 22 to 431.8. The exchange was closed on Thursday.

The dollar was fixed Friday in Paris at 6,073. Gains by dollar boosted the franc

against the Deutsche mark and helped bring interest rates below 8 percent.

Prices advanced 1.4 percent on Monday and another 1 percent on Tuesday as foreign investors, who had been major sellers in previous weeks, turned their attention to the dollar issues such as Peugeot and Renault.

The trend remained positive on Wednesday, when the index rose 0.4 percent and turned weaker on Friday, declining 0.2 percent.

Singapore

The holiday-shortened week saw shares on the Singapore stock market maintain their upward momentum.

Continued buying support took the Straits Times industrial index to an all-time high of 1,220.17 points, with identical gains of 6.47 points on Wednesday and Thursday. It was largely aided by a government statement that the economy was likely to register annual growth of about 8 percent from 1986.

The larger part of activity was confined to a handful of speculative counters, and volume averaged 48 million units a day. All sectors of the market, with the exception of iron stocks, registered more gains than losses.

In the industrial sector, ACMA took the limelight on Thursday and posted an impressive 11-cent gain to 1.92, while UIC closed 12 cents higher at 4.40.

Tokyo

Share prices surged ahead on the Tokyo Stock Exchange, with the 225-issue Nikkei Stock Average closing Saturday at a record 24,901.59 yen, for a weekly gain of 744.88. The Nikkei's previous record was 24,729.03 yen, set on May 13.

But the composite index of all common stocks listed on the market's first session failed to break the previous record of 2,193.75 set on May 11. It closed at 2,146.26 yen, up 47.18 from the previous week.

A firm start Monday ceded to a bearish mood in midweek, but the market bounced back on Friday, reflecting the surge on Wall Street. The new nonstop package amounting to 6 trillion yen (\$42 billion) announced by the Japanese government Friday to spur the economy also contributed to the rally.

Domestic-related issues such as construction and housing as well as export-oriented issues, such as Hitachi, Sony, NEC and Toyota, and large capital stocks, were actively bought.

Zurich

The Zurich stock exchange, in line with those in Paris and Frankfurt, last week emerged from a prolonged lull. The Credit Suisse index on Friday stood at 520.4, up from 516.5 seven days earlier.

Stock market analysts attributed the turn-around to an improved dollar and said that the U.S. currency remains healthy this week. The trend should be maintained.

But the recovery was not evident in the banking and finance section. Oerlikon-Bihlfil nominal shares lost 10 francs to finish at 270 while Zurich nominals fell 309 to 3,241.

In the chemical section, Ciba-Geigy shares advanced 115 francs to reach 3,165 while among banks UBS rose 160 to 4,610 and Credit Suisse rose 70 francs to finish at 3,930.

WEATHER

Jumble THAT SCRABBLE WORD GAME by Henr Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BIASS

GEALE

NOIMOD

COPERS

Answer here: ○○○○ ○○○○

(Answers tomorrow)

Friday's Jumble: YODEL CAPON ZEALOT JUMPER

Answer: That reckless chauffeur must have had a license to drive — PEOPLE CRAZY

WEATHER

EUROPE HIGH LOW ASIA HIGH LOW

Al�ra 24 75 18 59 Bonn 55 55 25 77

Amsterdam 25 75 16 61 Berlin 55 55 25 81

Athens 24 75 14 57 Brussels 55 55 25 75

Barcelona 25 75 16 61 Copenhagen 55 55 25 75

Brussels 24 75 14 57 Madrid 55 55 25 75

Budapest 25 75 16 61 Stockholm 55 55 25 75

Buenos Aires 26 76 17 62 Tel Aviv 55 55 25 75

Edinburgh 26 76 17 62 Vienna 55 55 25 75

Florence 26 76 17 62

Frankfurt 26 76 17 62

Geneva 26 76 17 62

Helsinki 26 76 17 62

Istanbul 26 76 17 62

London 26 76 17 62

Lyon 26 76 17 62

Madrid 26 76 17 62

Milan 26 76 17 62

Munich 26 76 17 62

Nice 26 76 17 62

Paris 26 76 17 62

Prague 26 76 17 62

Rome 26 76 17 62

Stockholm 26 76 17 62

Turin 26 76 17 62

SPORTS

Yankees Down A's, 9-5, as John Wins 3rd Straight

Compiled by Our Staff From Dispatches
NEW YORK — Willie Randolph and Henry Cordero drove in three runs apiece Sunday to help Tommy John win his third straight start and lead the New York Yankees to a 9-5 victory over the Oakland Athletics.

The Athletics' loss broke the team's four-game winning streak. John, 5-1, went six-plus innings, allowing two runs on five hits. The veteran left-hander walked one and struck out nine in gaining his 269th career victory to move to 26th place on the all-time win list ahead of Baltimore's Jim Palmer.

A's rookie first baseman Mark McGwire belted two solo homers. McGwire's third two-homer performance of the season gave him 15 homers for May. He also has an American League-leading 19 homers, leaving him one shy of the major-league record for homers over the opening two months of a season held by Mickey Mantle.

The game drew 55,034, the larg-

est nonopening day figure in the major leagues this season.

Dennis Eckersley, 3-4, making his second start as an Athletic, last 5½ innings, allowing six earned runs.

Randolph's two-run homer capped a four-run second inning for New York. With the score tied 1-1, Dave Winfield led off with a single and Mike Pagliarulo followed with a double, sending Winfield to third. Eckersley hit Joe Skinner with a pitch to load the bases.

Bob Meacham hit into a force at second, scoring Winfield with the go-ahead run. Cordero boomed out to short, allowing Pagliarulo to score. Randolph followed with his homer to center field to make it 5-1.

Brewers 7, Indians 4: In Cleveland, home runs by Dale Sveum, Robin Yount and Greg Brock powered Milwaukee over the Indians. The victory was only the Brewers' fourth in the last 22 games. Cleveland has lost six of its last seven. Juan Nieves, 4-2, went 8½

SUNDAY BASEBALL

Twins 9, Tigers 5: In Detroit, errors by second baseman Tom Brookens and third baseman Darrell Evans permitted two runs to score in a three-run eighth inning that sparked Minnesota over the Tigers in the first game of a doubleheader. Detroit had a five-game winning streak and nine-game

run. Dennis Eckersley, 3-4, making his second start as an Athletic, last 5½ innings, allowing six earned runs.

Mariners 8, Orioles 5: In Baltimore, John Moses had four hits and Jim Preley homered to lead Seattle over the Orioles. Rookie Lee Guettierman, making his first start of the season, ran his record to 2-0 since being called up from Calvary on May 21. Moses, who has hit in five straight games and has 10 hits in his last 22 at-bats, had a triple and a double in his first two appearances, then added a pair of singles. He also stole two bases.

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run. Dennis Eckersley, 3-4, making his second start as an Athletic, last 5½ innings, allowed six hits, struck out five and walked five to get the victory.

Blue Jays 7, Angels 2: In Toronto, George Bell homered for the Blue Jays and drove in three runs to back John Cerutti's four-hitter, sending California to its ninth straight loss. Toronto put the game away in the fifth inning with a five-run outburst. The Angels, the defending American League West champion, have won just twice in their last 14 games. The team is within two losses of tying its record for most consecutive losses set in 1974. Bell had 11 homers and 31 runs batted in during May, both Toronto records for a month.

Astros 8, Cardinals 7: In the National League, in St. Louis, Phil Garner delivered a two-run double to complete a four-run sixth inning that propelled the Houston Astros over the Cardinals. Houston starter Jim Deshaies, 4-2, pitched 5½ in-

nings

and needed the help of five relievers to earn the victory. Dave Smith went two innings for his eighth save. St. Louis starter Greg Mathews, 2-4, lasted 5 2-3 innings in making his first start since being recalled Saturday from the Cardinals' Triple-A affiliate, Louisville of the American Association.

Pirates 3, Pirates 2: In Pittsburgh, Dave Parker hit his 12th home run of the season to snap a 2-2 tie and Ted Power scattered seven hits over eight innings to lead Cincinnati over the Pirates, extending Pittsburgh's losing streak to six games. The Reds swept the three-game series and have won five of their last six games and nine straight at Three Rivers Stadium.

Braves 2, Cubs 1: In Atlanta, Gerald Perry singled in the winning run with two outs in the 10th inning to push the Braves past Chicago. The victory went to Gene Garber, 7-3, who replaced starter Doyle Alexander after nine innings.

(UPI, AP)

Grand Slam by Davis Lifts Reds

Compiled by Our Staff From Dispatches

PIITTSBURGH — Eric Davis hit his 19th home run of the season, a grand slam in the third inning, and Bill Gullickson pitched a six-hitter over eight innings here Saturday night to beat Cincinnati 4-3.

The 19 homers for Davis are a National League record for the months of April and May, breaking the mark of 18 shared by Fred Williams of the 1923 Phillies, Willie Mays of the 1964 Giants and Tony Perez of the 1970 Reds. The major-league record of 20 was set by Mickey Mantle of the 1956 Yankees.

Davis has four career grand slams and three in May, setting a league record and tying the major league mark for most in a month (shared by Detroit's Rudy York in 1938, Detroit's Jim Northrup in 1968 and Larry Parrish of Texas in 1982).

"It was a pitcher's pitch. I just went down and got it," said Davis of his home run. "Records are just something that comes with the game. I don't set goals. I just put pressure on myself by saying I want to try to break records."

Davis is hitting .355 with 52 runs batted in. Manager Pete Rose doesn't know whether he can keep up current pace, but he can. "If he does, I'll be the first to congratulate him when he hits his 80th home run," Rose said.

The Pirates are suffering their longest losing streak of the year.

Cardinals 3, Astros 2: In St. Louis, Terry Pendleton lined a two-

out double to cap a three-run third that carried the Cardinals to their third straight victory.

Phillies 3, Dodgers 0: In Los Angeles, Kevin Gross struck out three and walked one for his second complete game and first shutout of the year, and Von Hayes tripled home two runs to lift Philadelphia. The shutout was preserved by left fielder Mike Easler and Greg Gross. Easler leaped above the fence to snare Mike Marshall's home run bid in the eighth, and Gross replaced Easler in the ninth, and that inning made a circus catch on the warning track of a Marshall drive.

Expos 6, Giants 4: In San Francisco, Tim Wallach hit a three-run homer and drove home five runs to pace Montreal. The loss extended the Giants' losing streak to five games overall and eight straight at home. Winner Floyd Youmans struck out 12 in seven innings.

Cubs 11, Braves 6: In Atlanta, Shawon Dunston went 4-for-5 with three RBIs and Jody Davis and Ryne Sandberg homered to help Chicago past the Braves. The Cubs struck out a season-best 19 hits.

Mets 3, Padres 0: In San Diego, Sid Fernandez scattered five hits in his first shutout of the year to lead New York to its fifth straight victory. The Padres have a row.

Brewers 6, Indians 5: In Cleveland, B.J. Surhoff singled home Cecil Cooper from second base with one

out in the 10th, ending a six-game losing streak for Milwaukee, which had started the season 13-0.

Blue Jays 4, Angels 3: In Toronto, reliever Gary Lucas walked Rob Ducci with two out and the bases loaded in the 10th to lose the game for California. Toronto starter Jim Key took a no-hitter and shutout into the seventh, but lost both as the Angels rallied from a 3-0 deficit to tie the score.

White Sox 3, Red Sox 2: In Chicago, Harold Baines doubled home Jerry Royster from first with two out to give the White Sox their first three-game home winning streak of the season.

Athletics 4, Yankees 3: In New York, Tom Sturcio hit a two-run double to complete a three-run sixth-inning rally that lifted Oakland.

Marlins 12, Orioles 0: In Baltimore, Mike Morgan scattered seven in his second career shutout and Jim Presley tagged two home runs to power Seattle. Dave Valle and Presley tagged back-to-back homers off Eric Bell in the fourth to give Morgan a 2-0 lead. Morgan notched his second career shutout and the first for Seattle this season.

Rangers 12, Rangers 7: In Kansas City, Missouri, Brett Saberhagen became the first nine-game winner in the majors this season and Thad Bosley and Kevin Seitzer each drove in three runs as the Royals downed Texas. Saberhagen, who barely lasted the minimum of five innings needed to earn the victory, gave up seven runs.

(UPI, AP)

SATURDAY BASEBALL

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(UPI, AP)

FRENCH OPEN TENNIS

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(UPI, AP)



Bob Schuchert/The Associated Press

Tyson Flattens Thomas to Retain Heavyweight Titles

Pinklon Thomas struggled to regain his feet after being decked by Mike Tyson in the sixth round of their bout Saturday night in Las Vegas as his trainer, Angelo Dundee, right, leapt into the ring to stop the fight. Tyson, at 20 the youngest heavyweight champion ever, knocked out Thomas, 29, with a right uppercut and a left hook. Tyson improved his record to 30-0 with 27 KOs and kept his World Boxing Council and World Boxing Association crowns; he will try to unify the three heavyweight titles Aug. 1 against Tony Tucker, the International Boxing Federation champion.

Evert, Navratilova, Graf in Quarters; Mecir Wins, Novacek Surprises Jaite

The Associated Press

PARIS — Defending champion Chris Evert moved into the quarterfinals of the French Open tennis tournament Sunday with a 6-3, 6-1 victory over Katerina Maleeva. She was joined by longtime rival and No. 1 seed, Martina Navratilova, who crushed No. 13 Sylvia Hanika of West Germany, 6-0, 6-2, in 55 minutes.

On Saturday, West German teenagers Boris Becker and Steffi

itors all over the court. Advancing to a quarterfinals meeting with the top seed was No. 8 Claudia Kohde-Kilsch, who downed West German Nathalie Tauziat of France, 6-1, 3-6, 6-0, in an error-filled match.

In a three-hour, 52-minute battle, an inconsistent Andres Gomez, the No. 10 seed from Ecuador, barely escaped against Emilio Sanchez. The unseeded Sanchez disturbed her concentration as she overpowered the 12th-seeded Bulgarian.

"I still think Steffi is favorite," said the No. 3 seed. "I'm playing well, but you have to look at what a player has done for three to six months prior to the tournament, rather than the day before." Graf

FRENCH OPEN TENNIS

Graf, the No. 2 seed, survived mild scares in advancing to the fourth round, along with Jimmy Connors, at 34 the oldest player remaining in the men's draw.

Rodionov 12, Orioles 0: In Baltimore, Mike Morgan scattered seven in his second career shutout and Jim Presley tagged two home runs to power Seattle. Dave Valle and Presley tagged back-to-back homers off Eric Bell in the fourth to give Morgan a 2-0 lead. Morgan notched his second career shutout and the first for Seattle this season.

Rangers 6, Indians 5: In Cleveland, B.J. Surhoff singled home Cecil Cooper from second base with one

out in the 10th, ending a six-game

losing streak for Milwaukee, which had started the season 13-0.

Blue Jays 4, Angels 3: In Toronto, reliever Gary Lucas walked Rob Ducci with two out and the bases loaded in the 10th to lose the game for California. Toronto starter Jim Key took a no-hitter and shutout into the seventh, but lost both as the Angels rallied from a 3-0 deficit to tie the score.

White Sox 3, Red Sox 2: In Chicago, Harold Baines doubled home Jerry Royster from first with two out to give the White Sox their first three-game home winning streak of the season.

Athletics 4, Yankees 3: In New York, Tom Sturcio hit a two-run double to complete a three-run sixth-inning rally that lifted Oakland.

Marlins 12, Orioles 0: In Baltimore, Mike Morgan scattered seven in his second career shutout and Jim Presley tagged two home runs to power Seattle. Dave Valle and Presley tagged back-to-back homers off Eric Bell in the fourth to give Morgan a 2-0 lead. Morgan notched his second career shutout and the first for Seattle this season.

Rangers 12, Rangers 7: In Kansas City, Missouri, Brett Saberhagen became the first nine-game winner in the majors this season and Thad Bosley and Kevin Seitzer each drove in three runs as the Royals downed Texas. Saberhagen, who barely lasted the minimum of five innings needed to earn the victory, gave up seven runs.

(UPI, AP)

NBA PLAYOFFS

EASTERN CONFERENCE FINALS
Referees' Report

Detroit 31 26 26 26 — 117
Boston 13 24 10 19 27 McHale 5-11 4-2 22: Dur

more 5-11 4-2 22 Thomas 5-11 4-2 25: Lavelle 5-11 4-2 25 Landry 5-11 4-2 25

Philadelphia 29 10 10 10 21 (LJohnson 11)

Montreal 29 10 10 10 21 (Harrison 11)

Atlanta 29 10 10 10 21 (Carter 11)

Philadelphia 29 10 10 10 21 (McHale 11)

Boston 29 10 10 10 21 (Landry 11)

Detroit

